

MEMORANDUM

To: City of Monterey City Council and Planning Commission

From: Community Development Department and Dyett & Bhatia

Re: Staff Recommended Revisions to the Draft Housing Element

Date: September 11, 2023

This memo documents some additional staff recommended refinements to the Draft Housing Element for the consideration of the Planning Commission and City Council. These refinements are recommended in view of a preliminary conversation with HCD staff held on Friday September 8 and additional research into existing conditions at Fort Ord.

[Refinements to the Draft Inventory of Housing Sites](#)

The following is a summary of recommended refinements and revisions to the Draft Sites Inventory included in the Public Review Draft Housing Element. Attachment B1 includes updates to Map 3-15 Sites Available for Housing, Map 3-1 Pipeline Projects, and Table 3-4 Summary of RHNA Capacity from the Draft Housing Element that reflect these changes as well as the addition of sites whose owners requested inclusion during the 30-day comment period (identified in Attachment 3 to the packet).

Fort Ord Projections

Staff conducted a review of deed restrictions applicable to properties at Fort Ord. Two of the six parcels within the City of Monterey (APNs 031-191-018-000 and 031-191-019-000) are subject to deed restrictions that require remediation of Munitions and Explosives of Concern (MEC) and reimbursement agreements with federal agencies. These parcels are the northernmost parcels on the site. The timeline for completion of these activities is approximately 60 months, which would mean that housing construction on these sites within the 8-year Housing Element Cycle would be challenging to complete. Accordingly, they have been removed from the inventory and the text of Program 1-H Fort Ord/Ryan Ranch Specific Plan is revised as follows:

Program I-A Fort Ord/Ryan Ranch Specific Plan. In a community survey conducted for the Housing Element that garnered over 1,050 responses, the former Fort Ord Military Base was the area of the city identified most favorably for new housing to meet current and projected need. Adjacent Ryan Ranch, home to a regional medical center and office park south of the airport, was also ranked highly as a location for new townhomes and apartments by respondents. Integrating new housing into this area would need to be done carefully and in a way that responds to the variety of preferences and concerns that community members expressed through the survey, as described in Chapter 3. Therefore, the City will prepare a specific plan to establish a clear vision for the area and to guide future development and conservation, identify infrastructure needs and financing mechanisms, and establish measures to ensure sustainable development and adequate resource



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protection. The overarching objective should be to foster the creation of a mixed-use village on a portion of the site to provide housing, jobs, schools, shops, services and recreation for future residents while also preserving carefully selected areas of natural open space and habitat. **The Specific Plan should prioritize housing and mixed-use development on any combination of the parcels shown on Map 3-15 Sites Available for Housing.** Additionally, given that the City of Monterey is the property owner, incentives should be incorporated to ensure that at least 220 of the new homes planned will be affordable to moderate income households and at least 220 homes will be affordable to lower income households.

Responsibility: Community Development Department

Timeframe: (a) identify funding sources and release RFP by end of 2024; (b) complete site remediation work, special status species surveys, and biological study by the end of Q3 2026; (c) bring draft specific plan to City Council for adoption in Q4 2028

Objective: 1,660 new housing units, including 220 homes affordable to moderate income households and 220 homes affordable to lower income households

Funding: General Fund and grant funding

Heritage Harbor

Based on direction from the City Council received at the June 20 Study Session, two properties owned by the Monterey Bay Aquarium at Heritage Harbor were included on the inventory of housing sites and City staff conducted outreach to the property owner to gauge interest in redevelopment of the properties with housing during the planning period. On August 28, staff met with representatives of the Monterey Bay Aquarium to discuss the housing needs of their employees, the Aquarium's plans for the properties it owns, and the Aquarium's interest in a potential employer sponsored housing overlay. Aquarium staff provisionally indicated that other properties owned by the Aquarium may potentially be better candidates for housing than Heritage Harbor, although no formal response was provided at the meeting the Aquarium is going to consider information shared at the meeting and come back to staff at a later date. Nevertheless, given the initial informal feedback from staff and in view of the fact that Heritage Harbor is located within the Coastal Zone where residential uses are not typically permitted by the Coastal Commission, staff recommends removing the site from the inventory. Even with the removal of the 90 units at Heritage Harbor, the revised inventory would have sufficient capacity to meet the City's RHNA obligations at all levels with a buffer.

Moderate Income Housing Projections

Moderate income RHNA units are those that would be affordable to households making 80-120 percent of the area median income for Monterey County. In many California jurisdictions it is possible to demonstrate that smaller market rate housing units would be affordable to moderate income households on a per square foot basis by linking rents and sales prices that Moderate income households can afford to pay with local market prices. However, given the high demand for housing and the commensurate rents and sales prices in the City of Monterey, this is not possible. Therefore, staff consulted with HCD on September 8, 2023 regarding appropriate methodologies for projecting the realistic capacity for moderate income units.



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Based on guidance received from HCD, Table 3-4 in the Draft Housing Element has been revised to show capacity for moderate income housing reflecting the following assumptions:

- 30 percent of ADUs and JADUs permitted during the planning period would be affordable to Moderate income households, based on the findings of a statewide ADU affordability study prepared by the Association of Bay Area Governments (ABAG);
- 10 percent of the units built on the 50-acre MPUSD property within the Highway 68 Specific Plan area would be affordable to Moderate income households, based on the City's inclusionary requirements to be revised per Program 2-I Inclusionary Zoning;
- 10 percent of the units projected for Above Moderate sites in infill areas would be affordable to Moderate income households, based on the City's inclusionary requirements to be revised per Program 2-I Inclusionary Zoning;
- 1 Moderate Income unit will be developed as part of the proposed 1045 Cass Street pipeline project newly added to the inventory based on property owner interest;
- 220 of the total 1,660 units at Fort Ord would be affordable to Moderate Income households, pursuant to Program 1-H Fort Ord/Ryan Ranch Specific Plan as revised;
- Program 3-C Local Density Bonus will be revised to also offer additional bonus density for projects that provide commitments to construct additional Moderate Income units over and above any Moderate units required under the City's Inclusionary Ordinance. It is assumed that this would incentivize an additional 93 moderate income units, which is equivalent to 10 percent of the total number of units projected for Above Moderate sites in infill areas. Accordingly, the text of Program 3-C is revised as follows:

Program 3-C Local Density Bonus. Enact a local density bonus program that offers additional density over the maximum base permitted in the Monterey City Code as an incentive for projects that consolidate small, adjacent lots; and/or develop 2- and 3-bedroom units; and/or commit to additional Moderate Income units over and above any provision of such units required under the City's Inclusionary Zoning Program. The local density bonus program would complement additional density available to qualifying projects under State Density Bonus law with the objective of addressing particular local constraints and needs. The prevalence of parcels less than 0.5 acres in size in centrally located parts of the city is a constraint on infill development and the city has a relatively high rate of overcrowding, due in part to the fact that a disproportionate share of large households live in poverty.

Responsibility: Community Development Department

Timeframe: Adopt local density bonus provisions by Q2 2025

Objective: Facilitate development of 300 units affordable to lower income households, 93 units affordable to Moderate Income households, and 75 rental units with two or three bedrooms over the planning period

Funding: General Fund



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Affirmatively Furthering Fair Housing

Appendix D (Fair Housing Assessment) to the Draft Housing Element includes an analysis of existing conditions and trends related to Fair Housing. During the 30-day review period, staff conducted further review of the Appendix and recommends the clarifications and additions shown in track changes in the updated version of the Appendix, included here as Attachment B2. In summary, these revisions include:

- Minor text amendments for clarification shown in track changes;
- Additional of Section D.6, including a discussion of how buildout of the proposed inventory would improve or exacerbate fair housing conditions in Monterey, pursuant to HCD guidance contained in Affirmatively Furthering Fair Housing, Guidance for All Public Entities and for Housing Elements (April 2021); and
- Inclusion of a matrix summarizing fair housing issues identified in Appendix D, contributing factors and programs from Chapter 4 Housing Action Plan that address them (Table D-17).

Attachments:

- B1: Revised Map 3-15 Sites Available for Housing, Map 3-1 Pipeline Projects, and Table 3-4 Summary of RHNA Capacity
- B2: Revised Appendix D – Assessment of Fair Housing



Attachment B1:

Revised Map 3-15 Sites Available for Housing,
Map 3-1 Pipeline Projects, and
Table 3-4 Summary of RHNA Capacity

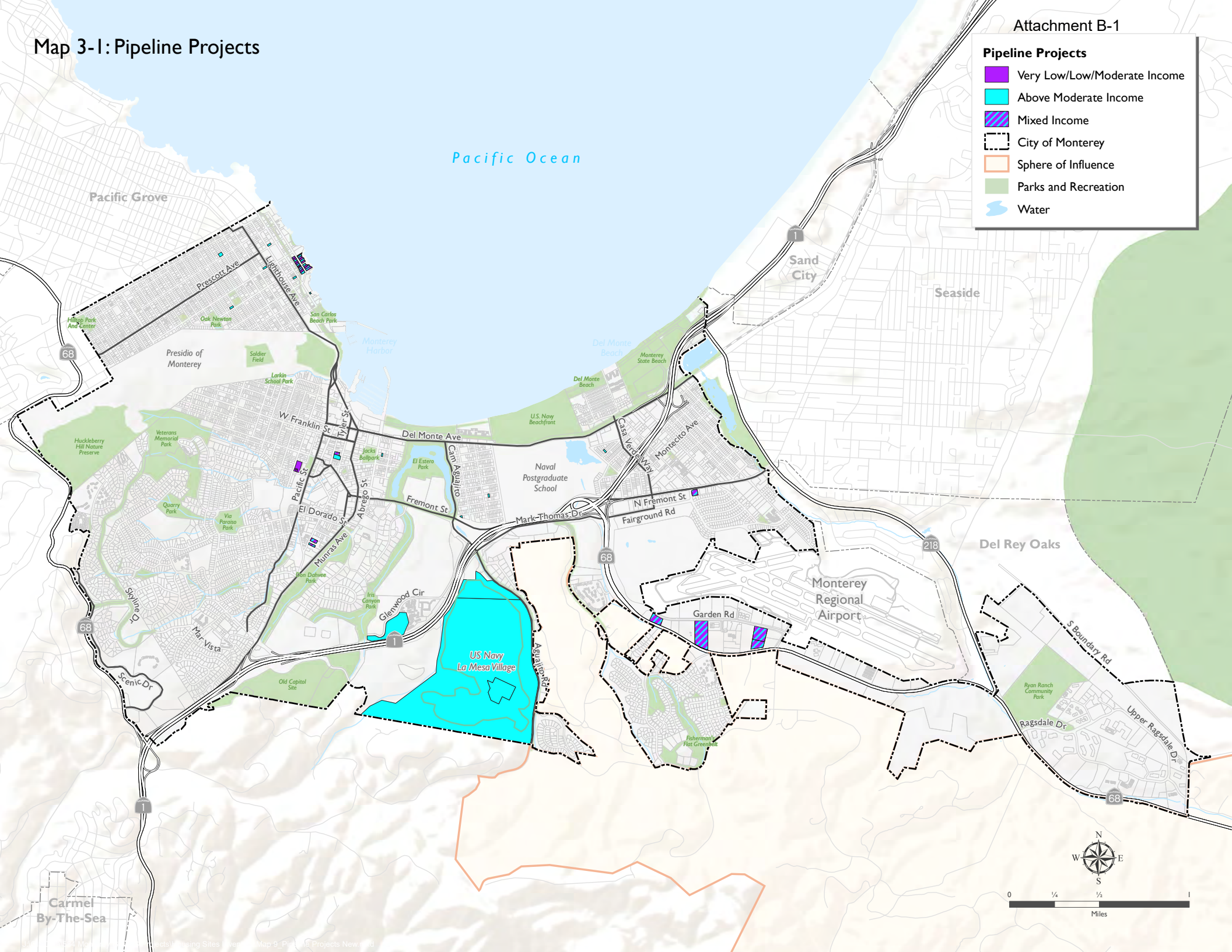
Table 3-4 Summary of RHNA Capacity

Income Category	Very Low and Low		Moderate	Above Moderate		Subtotal
	Vacant	Non-vacant		Vacant	Non-vacant	
Opportunity Area						
Downtown	0	219			259	478
North Fremont	0	263		24	86	373
Garden Road	0	515		0	0	515
Lighthouse	0	31		11	254	296
Pacific/Munras/Cass	0	38		0	92	130
Del Monte	0	126		0	0	126
Fort Ord/Ryan Ranch		220	220		1,220	1,660
Vacant Low Density Residential				111		111
Vacant High Density Residential	33					33
ADUs @ 15/year		72	36		12	120
Educational Workforce Overlay		100				100
Pipeline projects	109		1	393		503
County Courthouse Site		130				130
50-acre MCSD Site	64		64	512		640
590 Perry Lane Site					50	50
Elk's Lodge Site		94				94
Del Monte Shopping Center					150	150
Heritage Harbor Office Complex						
Local Density Bonus			93			
Subtotal	206	1,808		1,051	2,123	5,509
Total by RHNA Category		2,014	414		3,174	5,602
Lower Income Inclusionary Requirement (10%)		93				
Moderate Income Inclusionary Requirement (10%)			93			
Adjusted Total RHNA		2,107	506		3,174	5,787
RHNA		1,946	462		1,246	3,654
Buffer		161	44		1,928	1,498
		8.25%	9.57%		154.74%	

Map 3-1: Pipeline Projects

Pipeline Projects

- Very Low/Low/Moderate Income
- Above Moderate Income
- Mixed Income
- City of Monterey
- Sphere of Influence
- Parks and Recreation
- Water

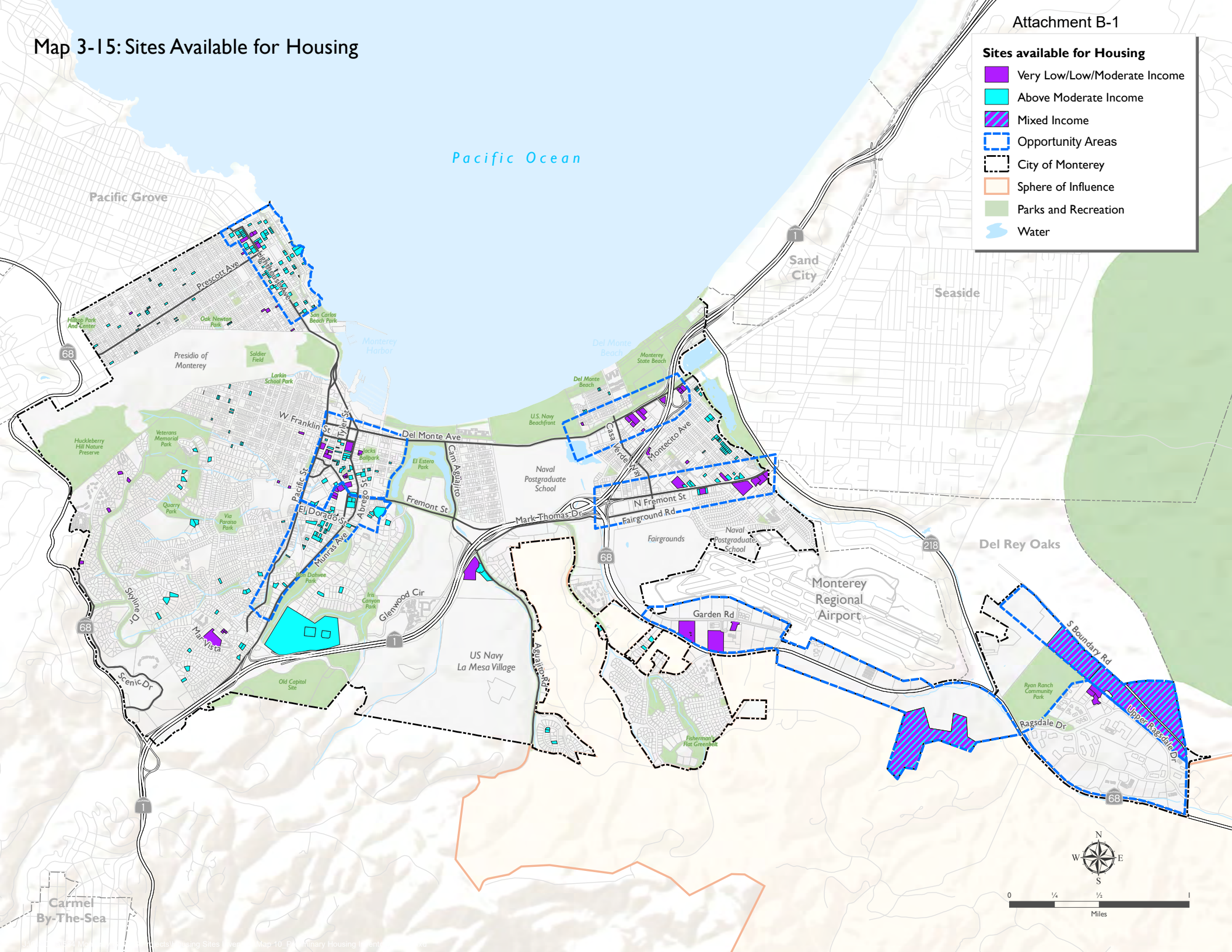


Carmel By-The-Sea

Map 3-15: Sites Available for Housing

Sites available for Housing

- Very Low/Low/Moderate Income
- Above Moderate Income
- Mixed Income
- Opportunity Areas
- City of Monterey
- Sphere of Influence
- Parks and Recreation
- Water



Carmel By-The-Sea

Appendix D:

Assessment of Fair Housing

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D Assessment of Fair Housing

California Assembly Bill (AB) 686, passed in 2018, amended California Government Code section 65583 to require all public agencies to Affirmatively Further Fair Housing (AFFH). AB 686 defined “affirmatively further fair housing” to mean “taking meaningful actions, in addition to combat discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity” for persons of color, persons with disabilities, and other protected classes. AB 686 requires the Housing Element to include an assessment of fair housing issues in the City of Monterey with the following components: a summary of fair housing issues and assessment of the City’s fair housing enforcement and outreach capacity; an analysis of segregation patterns and disparities in access to opportunities based on available federal, State, and local data; an assessment of contributing factors; an identification of fair housing goals based on the analysis; and a series of actions to achieve the goals.

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The City of Monterey is within the three county Monterey Bay Region, which covers Monterey, San Benito, and Santa Cruz counties. It is the third most populous of the 12 cities in Monterey County after Salinas and Seaside and the fourth wealthiest, behind Carmel-by-the-Sea, Del Rey Oaks, and Pacific Grove. The population of Monterey and the three other wealthiest cities is also less diverse than the other jurisdictions in the county; 68 percent of households in the city are white compared with 29 percent for Monterey County as a whole¹. This data helps to create a broader context for identifying and analyzing fair housing.

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DATA/RESOURCES CONSULTED

This document relies a variety of resources including data from the 2020 US Census and the American Community Survey 5-Year Estimate Data Profiles published by the Association of Monterey Bay Area Governments¹, the Monterey County Analysis of Impediments to Fair Housing Choice² prepared in collaboration with the cities in Monterey County and the Housing Authority County of Monterey, AFFH Mapping and Data Resources provided by the State Department of Housing and Community Development (HCD),³ the California Tax Credit Allocation Committee 2023 Opportunity Area Maps⁴ and other sources including the State Department of Housing and Community Development (HCD) and data from the following entities:

- Monterey County Housing and Community Development Department,
- Monterey County Housing Authority,
- Monterey County Economic Development Housing Office.

¹ Association of Monterey Bay Area Governments, City of Monterey Housing Element Data Package, 2022

² Monterey County Analysis of Impediments to Fair Housing Choice, 2019

³ <https://www.arcgis.com/apps/webappviewer/index.html?id=4d43b384957d4366b09aeeae3c5a1f60>

⁴ <https://belonging.berkeley.edu/2023-ctcac-hcd-opportunity-map>

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D.I Fair Housing Enforcement and Capacity

Fair housing services include education and training, counseling, investigation, and enforcement activities provided by State, federal, and local agencies as well as non-governmental organizations. These activities are intended to ensure that a variety of housing options are available to individuals and households regardless of their protected characteristics such as race, color, gender, gender identity, religion, age, national origin, familial or marital status, disability, source of income, sexual orientation, and other factors that have been used to deny or limit housing choices. Property owners, real estate professionals, and government agencies historically used these considerations in ways that have severely constrained opportunities for individuals in these “protected” groups to live in housing that meets their needs in neighborhoods and communities with high-quality amenities and resources.⁵

Fair housing enforcement and outreach capacity relates to the ability of a locality and fair housing entities to disseminate information related to fair housing and provide outreach and education to ensure community members are aware of fair housing laws and their rights under those laws. This capacity includes educating landlords, tenants, property management companies, government officials, agency staff, and real estate professionals to identify regulatory and real estate practices that maintain or create housing barriers to protected groups. Enforcement and outreach capacity includes the ability to address compliance with fair housing laws, such as investigating complaints, obtaining remedies, and engaging in fair housing testing.

FAIR HOUSING SERVICES

The US Department of Housing and Urban Development (HUD) has several programs that fund State and local agencies to conduct fair housing services and activities, including the Fair Housing Assistance Program (FHAP) and the Fair Housing Initiatives Program (FHIP). These groups communicate with housing providers, conduct investigations, perform testing to help determine if someone has experienced discrimination, and provide information and assistance. The FHAP funds the California Department of Fair Employment and Housing (DFEH) to enforce Federal fair housing laws in California. The closest FHIP to Monterey is Project Sentinel, a non-governmental organization (NGO) based in Santa Clara that HUD funds to provide education, outreach, and enforcement. Housing discrimination complaints can be filed directly with HUD, with the State Department of Fair Employment and Housing, with Project Sentinel, ~~or~~ with local housing providers such as Eden Council for Hope and Opportunity (ECHO) Housing. Housing discrimination complaints are one method to evaluate the extent of fair housing issues in a community. Monterey also contracts with the ECHO to provide fair housing and tenant-~~landlord~~ counseling services. The Community Development Department provides contact information for ECHO and links to an ECHO information sheet on the City website at https://monterey.org/city_hall/departments/housing_programs/index.php

ECHO, based in Hayward, was founded in 1964 as a fair housing agency and now provides a variety of housing services to low- and moderate-income clients in the Bay Area and on the Central Coast.

⁵ Rothstein, Richard. The Color of Law. N.p., Perfection Learning Corporation, 2019.

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ECHO has been providing fair housing services to Monterey, Salinas, Seaside, and Monterey County's urban unincorporated communities since 2017.

California Rural Legal Assistance (CRLA) has 17 offices statewide including one in Salinas. CRLA operates a state-wide Fair Housing and Foreclosure Prevention Program under guidance of HUD that assists victims of housing discrimination. They focus on the needs of farmworker communities, those living in unincorporated areas, and other underserved areas of California that have been subject to segregation and historic patterns of discriminatory housing and lending practices.

United Way Monterey County's 211 program assists residents of Monterey and other cities in the county who believe they have been subjected to housing discrimination with referrals to ECHO, CRLA, and other organizations that operate statewide. The 211 program provides a call-in number and a website (<https://211montereycounty.org/legal-assistance/victim-services/housing-discrimination/>) with information about organizations that assist persons experiencing housing discrimination.

Monterey collaborates with the County, the Housing Authority of Monterey County, the cities of Salinas and Seaside, and the cities of Del Rey Oaks, Gonzales, Greenfield, and Sand City in the County that receive entitlement funding from HUD. One of the requirements for maintaining eligibility for federally funded programs such as the Community Development Block Grant (CDBG), HOME Investment Partnership, and Emergency Solutions Grant programs, and other state and local programs is to "actively further[] fair housing choice" through:

- Completion of an Analysis of Impediments to Fair Housing Choice (AI),
- Actions to eliminate identified impediments; and
- Maintenance of fair housing records.⁶

The 2023-2024 Annual Action Plan the City of Monterey submitted to HUD as the application for funding from the CDBG program, commits Monterey to funding organizations, including ECHO and Legal Services for Seniors, to provide supportive services to homeless and low-income populations, specifically to assist in fair housing education and counseling on housing and home lending discrimination.⁷ For the 2022-2023 financial year, the City of Monterey committed to providing fair housing support services for 75 persons with CDBG funds through its contract with ECHO Housing.

Fair housing complaints are not the only indication of fair housing conditions, but data from ECHO, along with records published by the State Department of Fair Employment and Housing (DFEH), provide a basis for viewing Monterey in a broader context.

⁶ Monterey County Analysis of Impediments to Fair Housing Choice, 2019

⁷ City of Monterey Annual Action Plan FY 2023-2024, Executive Summary, https://files.monterey.org/Document%20Center/CommDev/Housing%20Programs/Plans%20&%20Reports/Action%20plan/DRAFT_Monterey_Annual_Action_Plan_FY23-24.pdf

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In 2017, each jurisdiction had five clients who filed fair housing complaints. The majority of those filing complaints, including all of the complainants from Monterey, were white. Mental and physical disabilities were the most frequently alleged bases for discrimination. Of the 15 cases from Monterey County, only five allegations were sustained. Three of those were resolved through conciliation, but two were referred to DFEH and HUD.

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When an individual reports possible discrimination it is considered an inquiry. Between 2013 and 2021, there were a total of 17 HUD inquiries made in the City of Monterey. Inquiries become formal complaints and cases once the FHEO or HUD determines the discrimination can be filed under one of the laws they enforce.

According to the 2020 Annual Report published by DFEH, only nine of 128 discrimination complaints from all jurisdictions within and including Monterey County was related to housing. As of 2020, there were six HUD cases filed, with three cases based on disability bias, one based on a familial status bias, and none based on racial bias. This represents an increase from 2010 when two cases were filed with HUD with only one based on an alleged disability bias and none asserting discrimination based on either familial status or racial bias.

FAIR HOUSING AUDIT REPORT

Auditing is a tool used to measure compliance with federal and state fair housing laws, and to determine if illegal patterns and practices are employed by the rental housing industry. Although most audits are educational in nature, the audit findings can be referred for litigation when patterns and practices of discrimination have become entrenched, and the property owner is uncooperative or resistant to the educational process.

In FY 2017, ECHO conducted a Fair Housing Audit that included the cities of Monterey, Salinas, the urbanized communities of Monterey County, and several Bay Area jurisdictions. The audit tested 134 properties, including five in Monterey, ten in Salinas, and five in urban areas of Monterey County. The properties were chosen from advertisements for available rental units found in www.forrent.com, www.craigslist.org, www.rent.com, www.apartmentguide.com, as well as some property management websites.

In the first phase of the testing, communications began with emails. Among the 20 tests conducted in Monterey County communities, ten percent received differential treatment based on the name used in the emails, a minority name (Laquesha Jackson) vs. a majority name (Megan O'Reilly). In the City of Monterey, there were no cases of differential treatment while Salinas had one. After the tests, ECHO followed up with an educational campaign directed at the owners and managers involved. Each property was emailed a report on their performance and encouraged to meet with ECHO's Fair Housing Counselors to discuss findings at their properties, and in cases where differential treatment was found, ECHO suggested possible changes that could be made to bring their rental policies and practices in compliance with federal and state fair housing laws.

OUTREACH AND CAPACITY

Fair housing outreach and education is imperative to ensure that those experiencing discrimination know when and how to seek help.

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At a public Monterey workshop held in 2017 for the purpose of drafting the Analysis of Impediments to Fair Housing Choice (AI), participants asserted that new housing is being built to target wealthier residents making it more difficult for other residents to find housing. The phrase “invasion of Silicon Valley” was stated as a greater concern for the residents and they expressed ECHO Housing should be used more to address fair housing concerns in Monterey.

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To gather input on the most recently published Consolidated Plan, three publicly noticed meetings were held as follows: October 17, 2019, at El Estero Park Center, Monterey, California, November 13, 2019 at Few Memorial Hall, Monterey California, and January 9, 2019 at Few Memorial Hall, Monterey, California. Engagement activities were used to gather input on the highest community and housing needs. The results of the input were narrowed to the three highest priorities: 1. Affordable housing 2. Homelessness services- prevention and housing 3. Community outreach. The meetings were legally noticed in English and Spanish through the Herald, publicized through the City’s website, and notices were emailed to the organizations from the contact list of partners and service organizations the City has compiled from past stakeholder and community meetings related to grant funding from HUD.

In addition to the meetings described above, a Housing 2020 Community Workshop & Open House was held on December 9, 2019 from 6 to 8 pm at the Monterey Conference Center. The purpose of the Housing Workshop was to provide updates on plans for new affordable housing and new laws affecting renter protections as well as for accessory dwelling units. Additionally, this meeting was meant to encourage residents to connect with City staff as well as the City’s community partners and to share their perspective on the challenges for housing in the City of Monterey. The meeting included an open house where residents could engage with the City’s community partners working on housing inventory improvements, partners which included the United Way, ECHO Housing, and Community Human Services (CHS). Specific topics included: new renter protections (AB 1482) (also available in Spanish), new rules for building an ADU (granny flat), increasing density for housing, Garden Road rezoning for housing, and analysis of City-owned property for housing. To publicize the Housing 2020 Community Workshop & Open House, dynamic bilingual outreach in English and Spanish was conducted to reach a large audience, which included public noticing in the Monterey Herald, publicizing the event on social media (Nextdoor, Twitter, Facebook), traditional media, and Podcasting with a local non-profit media company.

FAIR HOUSING PROGRAMS

Monterey residents facing homelessness have access to fair housing programs. The Housing Resource Center (HRC) was formed in 2009 after a merger between the Housing Advocacy Council and the Monterey County Housing Alliance. They provide homeless prevention services to low-income residents of Monterey County such as emergency rental assistance, security deposit guarantees, tenant education, and financial literacy education. The merger led to the creation of a cohesive HUD-approved organization that provides a continuum of housing support services and financial literacy education. HRC aims to address individuals’ and families’ basic need for safe and stable shelter. They service all Monterey County regions.

The City has a record of funding Legal Services for Seniors for Fair Housing and performs similar outreach as ECHO does to the community. Additionally, the City hosts public meetings regarding Fair Housing and encourages other local groups to provide workshops and distribute information. To

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address language barriers, the City keeps bilingual (English and Spanish) flyers and brochures of Fair Housing provider information at the Community Development public counter. The City also distributes these flyers and brochures at the City’s public library. Random testing to identify issues, trends, and problem properties is performed through the City’s current housing service provider, ECHO housing, in addition to annual fair housing audits. Through the City’s Inclusionary Housing Program, home purchasers are required to receive HUD-approved first-time homebuyer education courses that cover financial literacy and basic lender and real estate education. The courses are offered in English and Spanish by a HUD-approved counselor. This program was set up to address the low home purchase approval rates in the City and the underrepresentation of Hispanic households in the ownership housing market in the City, as identified in the City’s 2017 [Analysis of Impediments to Fair Housing Choice \(AI\)](#). To address this impediment, the City also encourages residents to do extensive research of prospective lenders and available first-time homebuyer loan programs such as CalHFA and USDA, and contracts out to ECHO the monitoring of fair housing service contractors with lending activities in the City.

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LENDING SERVICES

Discrimination in lending practices can be a major contributor to fair housing issues in a community, as this limits the ability of individuals to live in a location of their choosing. Loan denial rates can be informative of which kinds of discrimination are most prevalent in a community and which groups might need more loan application education targeted towards them. Loan denial rates can be derived from data provided by lending institutions in compliance with the Home Mortgage Disclosure Act (HMDA). Between 2011 and 2021, loan applications in the County increased. In 2021, 16,201 loans originated in Monterey County. In 2018, 7,042 loans originated in Monterey County and in 2011, 7,586 loans originated in Monterey County. In 2021 as presented by Table D-1, all races and ethnicities had greater denial rates in the County than the City except for Native American applicants indicating this group might need greater targeted outreach directed towards it.

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Table D-1: Rate of Denial by Race/Ethnicity (2021), City and County

Race/Ethnicity	City	County
White (Non-Hispanic)	9.4%	10.0%
Hispanic/Latino	10.3%	13.9%
Black or African American	7.4%	13.7%
Native American	57.1%	25.5%
Asian	9.5%	12.7%
Native Hawaiian and Other Pacific Islander	0.0%	12.4%
Two or More Races	0%	9.3%

Source: Home Mortgage Disclosure Act Data, 2021

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Charts D-1 and D-2 provide an overview of lending patterns in the City of Monterey compared to Monterey County. Chart D-1 shows that such potentially discriminatory lending patterns have continued at the County level up until the year 2021. The City has similarly seen uneven lending patterns and as of 2021 (the most recent year that data is available) Native American applicants had the highest loan denial rates, followed by Hispanic applicants, and Non-Hispanic White applicants. As Chart D-1 demonstrates, Non-Hispanic White, Hispanic, and Native Hawaiian and Other Pacific Islander applicants have seen a decline between 2018 and 2021 in loan denial rates while the other applicant groups have seen more variation between increases and decreases in loan denial rates. Most groups at the County level have seen steady decline between 2018 and 2021 in loan denial rates other than Black or African American and Native American applicants. Other groups have either maintained the same rate in the last couple years or reduced the rate by a few percentage points. Charts D-3 and D-4 demonstrate that in 2021 the City had higher loan approval rates for both home improvement and home purchase loans than the County.

The data do not indicate the grounds for the denial, and can not be used to prove that the denials were not justified on the basis of standard financial criteria; however, the trend suggests both a potential for bias within the financial system and a need for financial literacy training among non-whites, particularly Native American applicants, to help those groups better understand how to improve their credit scores.

BROKERAGE SERVICES

The Monterey County Association of Realtors (MCAR) is the primary association of real estate brokers or salespersons whose business is in the City of Monterey. MCAR has a Multiple Listing Service (MLS)—MLSListings Inc—and is part of the Norcal MLS Alliance, an MLS data integration project across the seven leading MLSs in Northern California. MCAR is bound by the Code of Ethics and Standards of Practice of the National Association of Realtors (NAR), which explicitly states in Article 10 that members shall not discriminate against any person based on race, color, religion, sex, handicap, familial status, national origin, sexual orientation, or gender identity. In addition to adopting the ethics standards set by the NAR, the state branch promotes its own diversity and inclusion programs, such as the Latino Initiative Voices in Action program, which provides educational materials for members on homeownership opportunities and fraud prevention.

PROPERTY MANAGEMENT

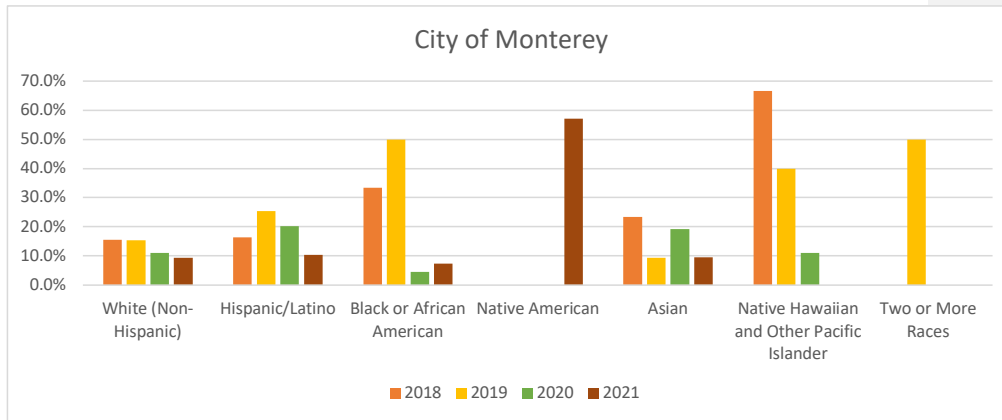
Between 2017 and 2019, the City of Monterey conducted outreach to property management companies in the community to help increase awareness of and expand education around fair housing laws. By reaching out to small rental properties where the owners and managers were potentially unaware of the fair housing laws, the City sought to address the identified discriminatory practices from the [City's 2017 Analysis of Impediments to Fair Housing Choice \(AI\)](#).

Additionally, the California Apartment Association developed the California Certified Residential Manager Program (CCRM) to provide comprehensive series of courses gears towards improving the approach, attitude and professional skills of on-site property managers. The program consists of 31.5 hours of training, including fair housing and ethics courses titled "Fair Housing: It's the Law" and "Ethics in Property Management". Additionally, the National Association of Residential Property Managers (NARPM) offers courses in ethnics and fair housing.

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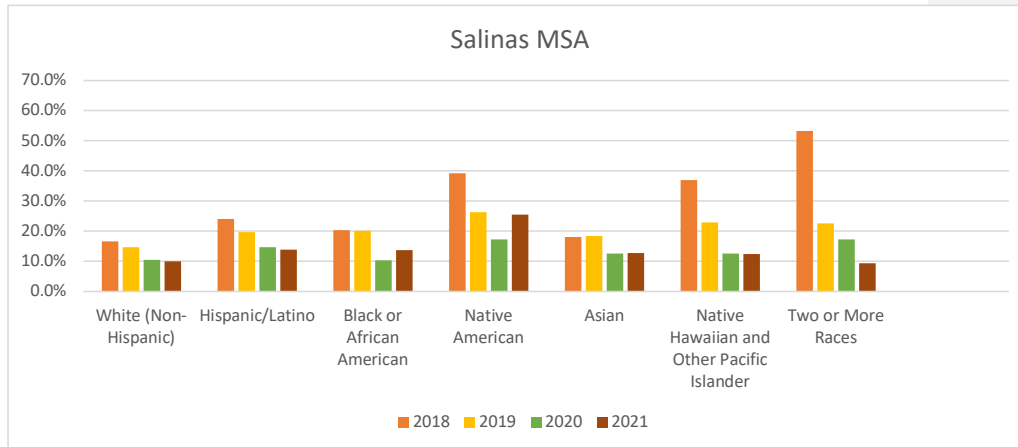
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Chart D-1: HMDA Loan Denial Rates by Race/Ethnicity, City of Monterey



Source: Home Mortgage Disclosure Act Data, 2018-2021

Chart D-2: HMDA Loan Denial Rates by Race/Ethnicity, Salinas MSA (Monterey County)

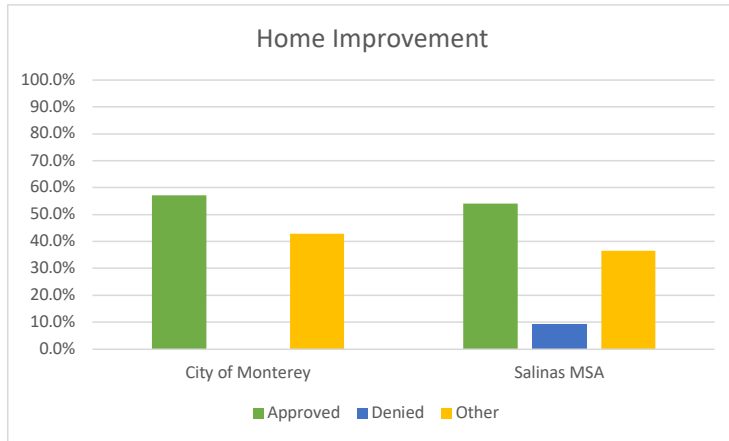


Source: Home Mortgage Disclosure Act Data, 2018-2021

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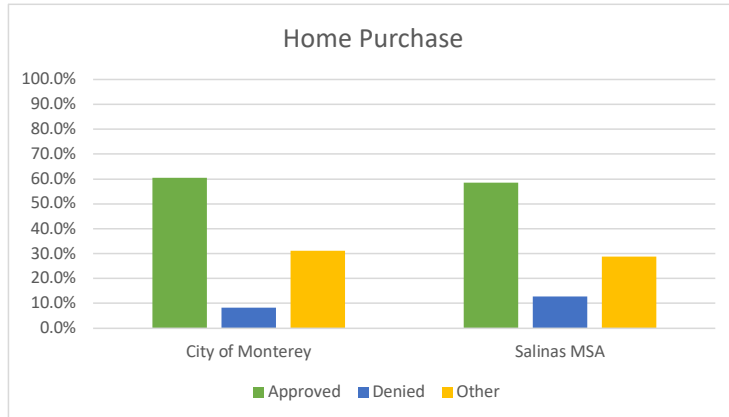
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Chart D-3: HMDA Home Improvement Loan Applications, 2021



Source : Home Mortgage Disclosure Act Data, 2021

Chart D-4: HMDA Home Purchase Loan Applications, 2021



Source : Home Mortgage Disclosure Act Data, 2021

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D-3

FAIR HOUSING COMPLIANCE

California Fair Employment and Housing Act (FEHA) (Part 2.8 (commencing with Section 12900) of Division 3 of Title 2), FEHA Regulations (California Code of Regulations (CCR), title 2, sections 12005-12271), and Government Code section 65008 applies to actions of a city, county, city and county, or other local government agency making them “null and void” if they deny an individual or group of individuals the enjoyment of residence, landownership, tenancy, or other land use in the state because of membership in a protected class, the method of financing, and/or the intended occupancy. More specifically, the Government Code imposes requirements related to housing including the following:

- Government Code section 8899.50 requires all public agencies to administer programs and activities relating to housing and community development in a manner to affirmatively further fair housing and take no action that is materially inconsistent with its obligation to affirmatively further fair housing.
- Government Code section 11135 et seq. prohibits discrimination and requires full and equal access to all programs and activities conducted, operated, administered, or funded with financial assistance from the State, regardless of one’s membership or perceived membership in a protected class, as that term is defined in Government Code section 12926.
- [Density Bonus Law \(Gov. Code § 65915.\) requires California jurisdictions to adopt ordinances that specify how density bonuses will be offered to incentivize affordable housing. The state law contains the minimum specifications for density bonuses.](#)
- [Housing Accountability Act \(Gov. Code § 65589.5.\) prohibits local agencies from disapproving housing developments, including farmworker housing and emergency shelters, or requiring conditions that make such housing infeasible except under certain conditions specified in the law.](#)
- [No-Net-Loss Law \(Gov. Code § 65863.\) is meant to ensure that development opportunities remain available throughout a jurisdiction’s regional housing need allocation \(RHNA\) period, especially for low- and moderate-income households. It prohibits jurisdictions from lowering residential densities without substantial evidence.](#)
- [Least Cost Zoning Law \(Gov. Code § 65913.1.\) requires jurisdictions to designate and zone sufficient vacant land for residential use with sufficient standards in relation to growth projections.](#)
- [Excessive subdivision standards \(Gov. Code § 65913.2.\) prohibits jurisdictions from imposing design criteria that make residential development infeasible.](#)
- [Limits on growth controls \(Gov. Code, § 65302.8.\) describes how flood plains are used in comprehensive planning and zoning.](#)
- [Housing Element Law \(Gov. Code, § 65583, esp. subds. \(c\)\(5\), \(c\)\(10\).\) governs state-required housing elements.](#)

As a recipient of the Community Development Block Grant from the US Department of Housing and Urban Development (HUD), and Home Investment Partnerships (HOME) funds, the City is required to maintain Affirmatively Furthering Fair Housing (AFFH) certification and to demonstrate compliance through its Consolidated Plan and Annual Action Plans, which are submitted to HUD for

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approval prior to receipt of the funds. Monterey has not denied any entitlements for affordable housing project in its jurisdiction, and will implement this Housing Element to ensure adequate sites to accommodate its RHNA obligations during the planning period and to comply with other legal requirements.

Monterey has made a number of revisions to its Specific Plans and Zoning Code to implement its current General Plan and Housing Element and is committed to making further revisions to meet all applicable requirements of State law based on the review undertaken to prepare this Housing Element. Many of these revisions will advance fair housing. Section D.6, Summary and Conclusions, identifies areas where constraints to furthering fair housing remain. The Housing Action Plan (Chapter 4) describes the specific programs Monterey will undertake during the planning period to remove or lessen these constraints.

D.2 Segregation and Integration

Patterns of segregation within a community may arise from both public and private housing discrimination, whether intentional or unintentional. Although racial and ethnic segregation is perhaps the most common and well-known form, other protected classes may also experience segregation. This section explores patterns and trends of segregation based on race and ethnicity, disability, familial status, and income level in the City of Monterey and the surrounding region. These groups are not mutually exclusive, and there may be considerable overlap across each protected class. Historically throughout the U.S., including in California and Monterey County, restrictive and exclusionary zoning practices have contributed to racial and economic segregation.⁸

The First Peoples of Monterey include the Rumsen and Esselen Ohlone nations. At the time of the arrival of Spaniards in 1770 it is estimated that the indigenous population of the Monterey Bay was approximately 7,000 people (10). At the arrival of Fr. Junipero Serra, Don Gaspar de Portola, and Fr. Juan Crespi in 1770 a Presidio and Royal Chapel was constructed and Monterey was declared for New Spain. Although the original plan for the Missions was to hold the lands in the trusts of the church for ten years and build a civilian town; in 1834 the lands in Monterey were transferred to private holdings. (10) The Ohlone communities of Rumsen, Esselen, and Salinan background still live in the area today.

Historical records show that African-Americans lived and worked in Monterey County and in what is now the city of Monterey as early as the 18th century. Several Africans are known to have been ship maintenance workers aboard the San Antonio, the ship on which Fr. Junipero Serra arrived in the region. At that time, what is now Monterey, was the Spanish territory of Alta California. Alejo Nino, an African Spaniard and free man, who came to the Monterey area with Junipero Serra in the 18th century was the first black man buried in Alta California. His grave is in the Presidio in Monterey. The Juna Bautista de Anza exploration and colonization trail of 1775-1176 included Afro-mestizos from Mexico (11). Because few women were among the first Africans who settled in the Alta California territory, many of the first black settlers married Mexican or native American women. Africans first entered Mexico in 1519 and frequently intermarried; their descendants were considered mulattos or

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From Christy on 8/18/2023.

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⁸ Shahan Shahid Nawaz et al., "Single-Family Zoning in the Monterey Region: A California Zoning Atlas Snapshot", Othering and Belonging Institute, University of California, Berkeley, July 10, 2023, https://belonging.berkeley.edu/single-family-zoning-monterey-region#footnote1_rj19xwi

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Afromestizos. In the mid-1830s, two men with multiracial backgrounds, Lt. Col. Manuel Victoria and Pio Pico, were appointed governors of Alta California.⁹

Even though Mexico had a strict class system, it neither enslaved nor restricted those of African heritage. Mexico had a strict caste system that led to many Afromestizos seeking opportunities in Alta California. While the first slaves were brought to Mexico in the 16th century under New Spain, Mexico abolished slavery in 1839. Later in the 19th century, black men and women who were slaves, runaway slaves, or free joined the original settlers. In 1849, delegates to California's first Constitutional Convention met at Colton Hall in Monterey and agreed to prohibit slavery in the new state. Section 18 of Article I stated, "Neither slavery, nor involuntary servitude, unless for the punishment of crimes, shall ever be tolerated in this State."¹⁰ Because California was not a slave state, many of those who arrived as slaves were able to buy their freedom or escape slavery and lived free in Monterey.

Thirty years later, delegates to a second constitutional convention meeting in Sacramento, amended the Constitution by adding "Article 19, Chinese" which forbid the employment of Chinese by any corporation or by any state or local government "except in punishment for crime". Section 4 went on to authorize "all necessary power to the incorporated cities and towns of this State for the removal of Chinese without the limits of such cities and towns, or for their location within prescribed portions of those limits" and authorized the State Legislature to establish legislation to prohibit "the introduction into this State of Chinese".¹¹ Despite mandates like this, the federal Chinese Exclusion Act of 1882, and the State's Alien Land Law (1913), Asians came to the Monterey peninsula to work in the County's thriving agricultural and fishing industries with the Japanese arriving in Monterey during the 1890's after the Chinese Exclusion Act (13). The first Asian settlers included part of a group of immigrants from China who arrived in the early 1850s settling first at Point Lobos in Carmel and then at Point Alones, next to the present site of the Monterey Bay Aquarium. The small fishing village at Point Alones initiated the fishing economy in Monterey. After the village burned in 1906, due to arson according to some sources, the Chinese were not allowed to return to Point Alones and moved throughout the region and established another village at McAbee Beach, a short distance to the north and now the heart of the Cannery Row area of Monterey.¹² The Japanese community used white business partners to start canning businesses at Cannery Row.

Many of the African American families who came to the Monterey peninsula worked in agriculture, but as Monterey became a tourist destination many found jobs in hotels and restaurants and also as domestic workers. As early as 1902, the peninsula also became a place for military service. In 1917 as

⁹ Adkins, Jan Batiste, *African Americans of Monterey Count*, Arcadia Publishing, 2015.

10. Architectural Resources Group, "National Historic Landmark District and Downtown Area Context Statement and Reconnaissance Survey: Monterey, California." Prepared for City of Monterey, adopted February 21, 2012, revised May 1, 2012, 15.

¹⁰ "JoinCalifornia: Election History for the State of California", <http://www.joincalifornia.com/page/11>.

¹¹ "Afro-Latino Presence in Early California". <https://www.nps.gov/juba/learn/historyculture/afro-latinos.htm>

¹¹ Constitution of the State of California, Adopted March 3, 1879, <https://archives.cdn.sos.ca.gov/collections/1879/archive/1879-constitution.pdf>

¹² Marangoni-Simonsen, Dominique, *A Forgotten History: How the Asian American Workforce Cultivated Monterey County's Agricultural Industry, Despite National Anti-Asian Rhetoric*, p. 230-234, *Hastings Environmental Law Journal* (2021) https://repository.uchastings.edu/hastings_environmental_law_journal/vol27/iss1/6

13 Lyon, Sandy. *The Japanese of the Monterey Bay Region*. 1997

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the United States entered World War I, the federal government established Fort Ord as a military training base for soldiers stationed in the nearby Presidio in Monterey. The presence of the base discouraged both housing and infrastructure development contributing to Seaside's reputation as a less desirable place to live than Monterey especially as World War II brought the expansion of Fort Ord. By the end of the war, when President Harry S. Truman ordered full desegregation of the armed services, Seaside was still an unincorporated suburb of Monterey. Because of the increasing use of racially restrictive covenants in Monterey and many other communities in the county, many African Americans retiring from the military who were unable to purchase homes elsewhere in the area, remained in Seaside, which incorporated in 1954. By 1980, the black population of Seaside was 29.3 percent, larger than any other city in the county, but with the closure of Ford Ord the black population declined to 12.1 percent in 2000. Seaside still has the largest black population of any city in the county, 7.2 percent compared with 3.5 percent in Monterey.

RACE AND ETHNICITY

Racial and ethnic patterns of segregation in the City of Monterey are better understood in the context of changing regional and local demographics and historical settlement precedents. As shown in Table D-2, the population of Monterey County increased by 2.0 percent between 2010 and 2020, with a projected increase of 5.6 percent between 2020 and 2040. In the ten years between 2010 and 2020, the Hispanic/Latino population had the greatest growth rate of 12.7 percent followed by the Non-Hispanic Multiracial category (10.2 percent). All other groups saw small reductions in their numbers while the Non-Hispanic White population experienced the greatest percent of decline in residents (-3.1 percent). Looking forward to 2040, it is anticipated that the Non-Hispanic Multiracial and Hispanic/Latino groups will continue to see the greatest increases in population (23.4 percent and 16.6 percent, respectively), followed by Non-Hispanic Native Americans (10.8 percent) and Non-Hispanic Black or African Americans (1.9 percent). All other groups will see slight reductions in their populations as shown in Table D-2.

Table D-2: Population Growth by Race/Ethnicity, Monterey County, 2010-2040

Race/Ethnicity	County			Percent Change	
	2010	2020	2040 Forecast	2010-2020	2020-2040
White (Non-Hispanic)	137,308	133,076	124,779	-3.1%	-6.2%
Hispanic/Latino	230,783	260,033	303,158	12.7%	16.6%
Black or African American (NH)	11,452	11,085	11,292	-3.2%	1.9%
Native American (NH)	1,410	1,412	1,564	-0.1%	10.8%
Asian (NH)	24,015	23,691	22,137	-1.3%	-6.6%
Native Hawaiian and Other Pacific Islander (NH)	1,895	1,921	1,902	-1.4%	-1.0%
Multiracial (NH)	9,142	10,072	12,433	10.2%	23.4%
Minority ¹	278,697	298,142	352,486	7.0%	18.2%
Total	416,005	441,290	477,265	2.0%	5.6%

¹. Minority refers to any person not listed as NH White

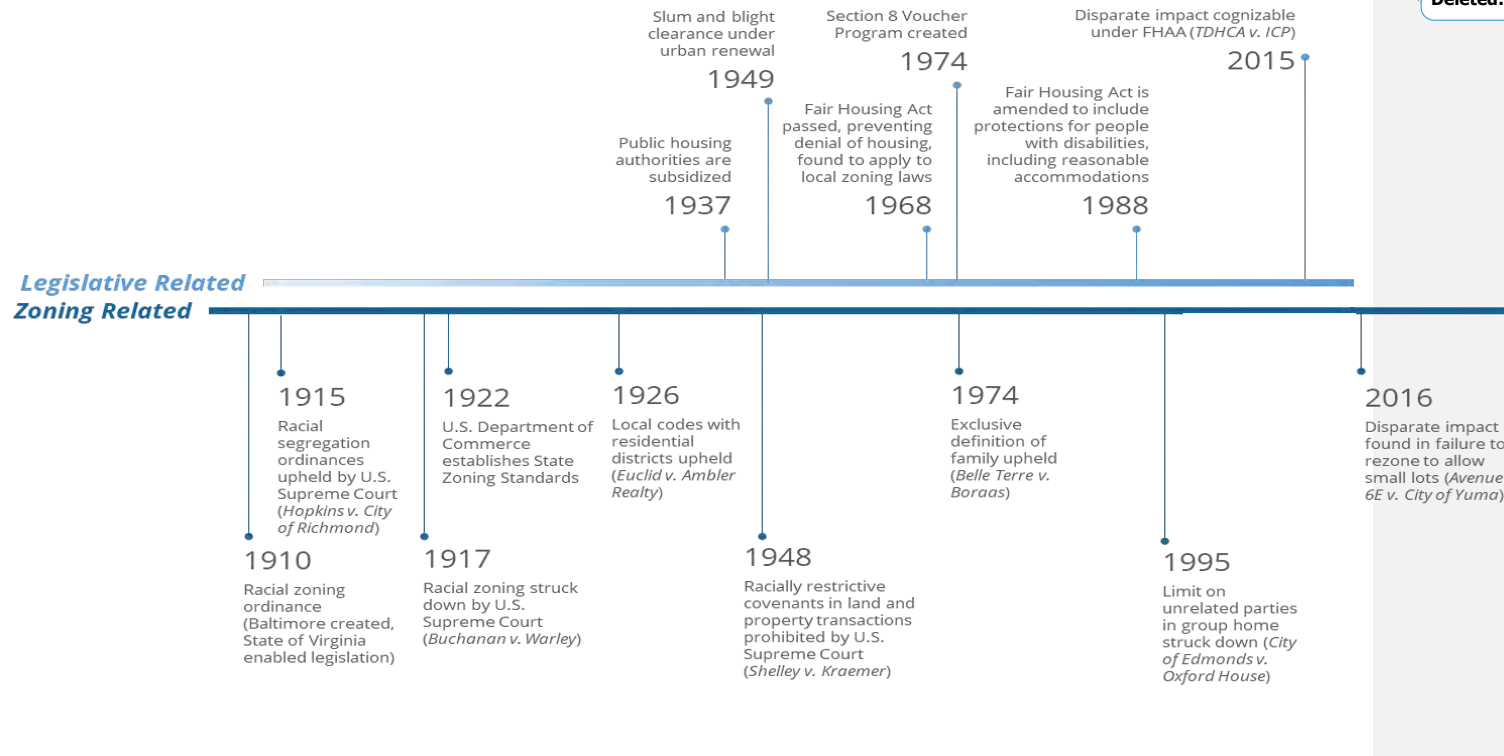
Source: California Department of Finance, Table P-2D County Population by Total Hispanic and Non-Hispanic Race (2010-2060)

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Chart D-5: Timeline of Segregation Policies in United States

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Source: Rothstein, Richard. *The Color of Law*. N.p., Perfection Learning Corporation, 2019.

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The geographical distribution of race and ethnicity throughout the County is uneven. As shown in Table D-3, Monterey County has thirteen Census County Subdivisions with varying shares of Non-Hispanic White, Hispanic/Latino, and Non-Hispanic Other Races (Black or African American, Native American, Asian, Native Hawaiian and Other Pacific Islander, and Multiracial). The City of Monterey is in the Seaside-Monterey Subdivision. It has the highest share of Non-Hispanic Other Race residents in the County and has the smallest difference in percentage between its Hispanic/Latino population and Non-Hispanic White population.

Table D-3: Monterey County Subdivisions by Race/Ethnicity, 2020

	White (NH)	Hispanic/Latino	Other Race (NH)
Carmel Valley	83.2%	11.3%	5.5%
Carmel-by-the-Sea	82.4%	8.5%	9.1%
Toro Park	75.2%	14.7%	10.1%
Big Sur	61.6%	34.0%	4.4%
San Ardo	57.9%	30.6%	11.5%
Seaside-Monterey	52.4%	26.5%	21.0%
Castroville	25.6%	63.0%	11.3%
Pajaro	23.5%	71.1%	5.5%
King City	15.8%	80.8%	3.5%
Salinas	13.6%	77.9%	8.6%
Gonzales	12.0%	72.4%	15.6%
Soledad	8.7%	88.8%	2.5%
Greenfield	5.0%	91.6%	3.4%

Source: U.S. Census Bureau, Census 2020 ACS Five-Year Estimates (Table DP05)

Most of the Subdivisions with Non-Hispanic White majority populations (Carmel Valley, Carmel-by-the-Sea, Toro Park, Big Sur, and Seaside-Monterey) are adjacent to each other in the western part of the County along the coast. The remaining Subdivisions with minority-majority populations are located inland to the east and southeast (King City, Salinas, Gonzales, Soledad, and Greenfield). As a result, the County as a whole shows a pattern of racial and ethnic segregation.

As shown in Table D-4, the City remains substantially less diverse than Monterey County as a whole. Between 2010 and 2020, the share of White residents in the City decreased slightly from 69.2 percent to 67.7 percent and the share of other ethnicities increased slightly; however, the share of White residents in the City is still more than double that of the County, which has a majority Hispanic/Latino population.

One method to gauge the extent of segregation in a jurisdiction is the dissimilarity index. The dissimilarity index measures the degree to which two groups are evenly distributed across a geographic area and is a commonly used tool for assessing residential segregation between two groups. The dissimilarity index provides values ranging from 0 to 100, where higher numbers indicate a higher degree of segregation among the two groups measured. According to HUD, dissimilarity index values between 0 and 39.99 generally indicate low segregation, values between 40 and 54.99 generally indicate moderate segregation, and values between 55 and 100 generally indicate a high level of segregation.

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Table D-4: Change in Race/Ethnicity, City of Monterey and Monterey County, 2010-2020

Race/Ethnicity	City of Monterey			Monterey County		
	2010	2020	Percent Change	2010	2020	Percent Change
White (NH)	69.2%	67.7%	-1.5%	34.3%	29.5%	-4.8%
Hispanic/Latino	14.2%	17.0%	2.8%	53.7%	59.0%	5.3%
Black or African American (NH)	2.3%	3.6%	1.3%	3.0%	2.4%	-0.6%
Native American (NH)	0.4%	0.3%	-0.1%	0.3%	0.2%	-0.1%
Asian (NH)	9.1%	6.0%	-3.1%	6.0%	5.6%	-0.4%
Native Hawaiian and Other Pacific Islander (NH)	0.4%	0.4%	0.0%	0.4%	0.4%	0.0%
Other (NH)	0.1%	0.2%	0.1%	0.3%	0.2%	-0.1%
Two or More Races (NH)	4.3%	4.9%	0.6%	2.1%	2.8%	0.7%

Source: U.S. Census Bureau, Census 2000 (SF1, Table P004); Census 2010 (SF1, Table P9); 2020 ACS Five-Year Estimates (Table DP05)

The dissimilarity index uses non-Hispanic White residents as the primary comparison group; however, Monterey County, along with the State of California, is a majority-minority jurisdiction, meaning that non-White ethnic groups make up a majority of the population. Dissimilarity index values compare racial and ethnic groups against the distribution of non-Hispanic white residents in a community and do not directly measure segregation between minority groups (e.g., non-Hispanic Black). As Chart D-6 shows, the County dissimilarity index is significantly higher in the County, exceeding 55 for White/Hispanic between 1990 and 2020, indicating there has been a high and increasing level of segregation. The dissimilarity between White/Black residents indicates high segregation in 1990, but decreased segregation in 2020 (indicating moderate segregation). The White/Asian segregation level has been below 39.99 since 1990, indicating sustained low segregation.

Based on the dissimilarity index, levels of segregation are much lower within the City of Monterey than the County, with all scores between 1990 and 2020 falling below 39.99. Scores have not always trended downward though. In 2010, there were spikes in scores for White/Asian and White/Hispanic dissimilarity from 2000, and in 2020, the White/Black score increased as compared to 2010. As of 2020, for both the County and the City, White/Asian dissimilarity is the lowest followed by White/Black, and White/Hispanic dissimilarity is highest.

The shortcoming of the dissimilarity index is it may not capture the nuances of segregation between minority groups within the city. To capture these nuances, HCD has provided neighborhood segregation typologies developed by the Urban Displacement Project (UDP) at UC Berkeley. These typologies identify tracts based on which racial/ethnic groups have more than 10 percent representation within a given census tract. The typologies consider five racial/ethnic groups—including Black, Latinx, White, Asian, and Other.

Map D-1 shows racial integration by neighborhood in the city. New Monterey, Del Monte Beach, Villa Del Monte, and Del Monte Grove/Laguna Grande neighborhoods are Latinx-White. The Aguajito Oaks, Deer Flats, Fisherman Flats, Monterey Vista, Glenwood, and Skyline neighborhoods are mostly

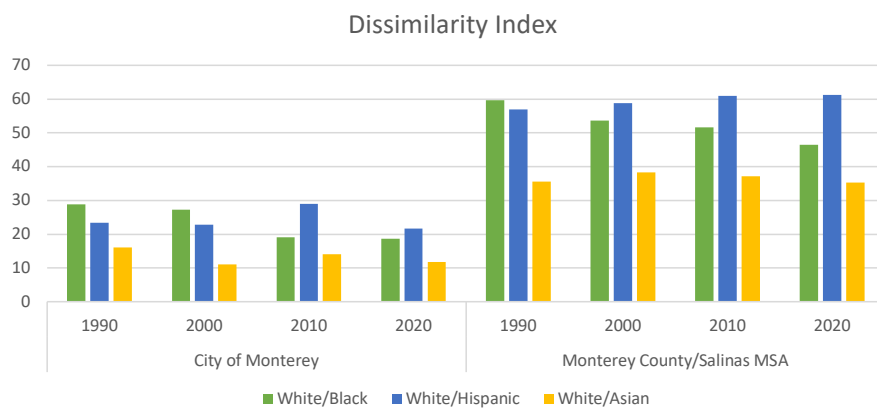
Moved up [1]: One method to gauge the extent of segregation in a jurisdiction is the dissimilarity index. The dissimilarity index measures the degree to which two groups are evenly distributed across a geographic area and is a commonly used tool for assessing residential segregation between two groups. The dissimilarity index provides values ranging from 0 to 100, where higher numbers indicate a higher degree of segregation among the two groups measured. According to HUD, dissimilarity index values between 0 and 39.99 generally indicate low segregation, values between 40 and 54.99 generally indicate moderate segregation, and values between 55 and 100 generally indicate a high level of segregation. ⁴

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White. The Naval Postgraduate neighborhood is Asian-White. The Presidio, Old Town, Downtown, Oak Grove, other Naval Postgraduate School area near the Bay, and Alta Mesa neighborhoods are 3 Group Mixed. As indicated by Table D-4 above, Hispanic or Latino, Asian, and non-Hispanic White residents are the three largest groups represented in the City. The non-Hispanic White population is the largest, and as Map D-1 indicates, makes up greater than ten percent of every part of the City (all the 3 Group Mixed areas include non-Hispanic White as one of the groups).

Chart D-6: City of Monterey and Monterey County Dissimilarity Index



Source: U.S. Census Bureau, 2020 ACS Five-Year Estimates (Table B01003 and Table B03002)

As a majority Non-Hispanic White community adjacent to other majority Non-Hispanic White communities in a County that is majority Hispanic, the City of Monterey can be seen as part of a racially/ethnically concentrated area of non-Hispanic White residents. However, as shown on Chart D-6, dissimilarity scores indicate that the City is less segregated than the County as a whole. Further, the 2018 ESRI Diversity Index shows that many areas of the City of Monterey are relatively racially and ethnically integrated. The index captures the racial and ethnic diversity of a geographic area in a single number, from 0 to 100 determined by the likelihood that two people selected at random are of the same race. The most diverse block groups have scores 85 or greater while the least diverse have scores of 55 or less (labeled as Lower Diversity in yellow on Map D-2). As shown in Map D-2, the areas with the highest diversity are on the eastern side of the City in Villa Del Monte, Del Monte Grove/Laguna Granada, and Casanova Oak Knoll neighborhoods. Areas of low diversity in Map D-2 are concentrated in the Monterey Vista, Deer Flats, Aguajito, and Fisherman Flats neighborhoods. The neighborhoods with lower diversity are also areas characterized as Mostly White by Map D-1, but these neighborhoods are a small sum of the total area of the City. The rest of the City have scores equal or greater than 55, 70, or even 85.

In Monterey, where there is greater population density overall and greater access to opportunities there is greater diversity than countywide. As other parts of this analysis observe, however, this diversity varies within the city and is closely associated with the prevalence of single-family zoning (see Sections D3 and D4). Map D-1 shows that access to transit, jobs, and other measures of economic,

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environmental, and educational opportunities is greater in the areas with the highest population numbers and the greatest diversity (3 Group Mixed). These results may be skewed, however, by the fact that the Naval Base is in the 3 Group Mixed section of Map D-1 while much of the Mostly White area of the Map is non-residential (e.g., Fort Ord and Ryan Ranch) or very sparsely settled or undeveloped like the hillside open space adjacent to Highway 68. Maps D-3 and D-4 present racial segregation and integration throughout the County in both 2010 and 2020. The maps show that the City of Monterey is a High White Segregation area, but it does not exist in isolation; other High White Segregation cities in the County are present along the western edge of the County and in the south. In both instances, those areas that are developed are zoned for single-family use only.

PERSONS WITH DISABILITIES

Persons with disabilities may face discriminatory housing practices based on their disability, including the lack of accessible dwellings and refusal by housing providers to offer reasonable accommodations. Data shows that from a housing perspective, there are several different housing needs of disabled persons. For those disabled with a developmental or mental disability, one of the most significant problems is securing affordable housing that meets their specialized needs. Housing needs can range from institutional care facilities to facilities that support partial or full independence (such as group care homes). Supportive services such as daily living skills and employment assistance need to be integrated into the housing situation also. A disabled person with a mobility limitation requires housing that is physically accessible.

According to the 2021 ACS five-year estimates, 4,542 persons (19 percent of the non-institutionalized population) had a disability in the City of Monterey. As shown in Map D-5, there are more tracts containing 10-20 percent of the population with a disability than tracts with less than 10 percent. However, no single census tract contains a population with a disability that exceeds 20 percent of the tract's total population, which is the threshold typically used by HCD as an indicator of overconcentration. In the City of Monterey, there are seven residential care facilities for the elderly and one social rehabilitation facility.¹³

Map D-6 demonstrates areas within the County with larger populations such as in the City of Monterey, Carmel Valley, and Salinas, 10-20 percent of the population has a disability while less populated areas have less than 10 percent. This indicates the City is typical of the County. At the County level supportive housing services for those with disabilities are limited. There is area 8 adult residential facilities and two residential care facilities for the elderly. The adult residential facility (located in Greenfield) has the capacity to serve 40 people, and the residential care facilities for the elderly (located in Carmel Valley and Castroville) have the capacity to serve six persons each. According to the California Department of Social Services, Community Care Licensing Division, most of the County's adult residential care facilities for adults and elderly are located in Salinas (25 adult residential facilities and 21 elderly residential facilities). Additionally, there are five adult day care centers and one social rehabilitation facility in Salinas. In Seaside, there are two residential care facilities for the elderly and one adult residential facility.

¹³ "Assisted Living Facilities in Monterey, CA" accessed on August 2 at <https://www.caring.com/senior-living/assisted-living/california/monterey>

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Map D-1: Neighborhood Segregation ¶
Source: HCD AFFH Data and Mapping Resources (UC Berkeley Urban Displacement Project, May 2021) ¶
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Map D-2: City of Monterey Diversity Index ¶
Source: HCD AFFH Data and Mapping Resources (ESRI, 2018) ¶
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¶
Map D-3: Racial Segregation/Integration (2010), Monterey County ¶
Source: HCD AFFH Data and Mapping Resources (ACS, 2015-2019) ¶
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¶
Map D-4: Racial Segregation/Integration (2020), Monterey County ¶
Source: HCD AFFH Data and Mapping Resources (ACS, 2015-2019) ¶
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Map D-5: Persons with Disabilities, City ¶
Source: HCD AFFH Data and Mapping Resources (ACS, 2015-2019) ¶
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D-3: Racial Segregation/Integration (2010), Monterey County

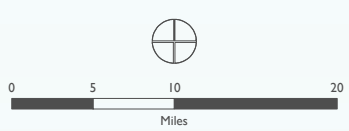
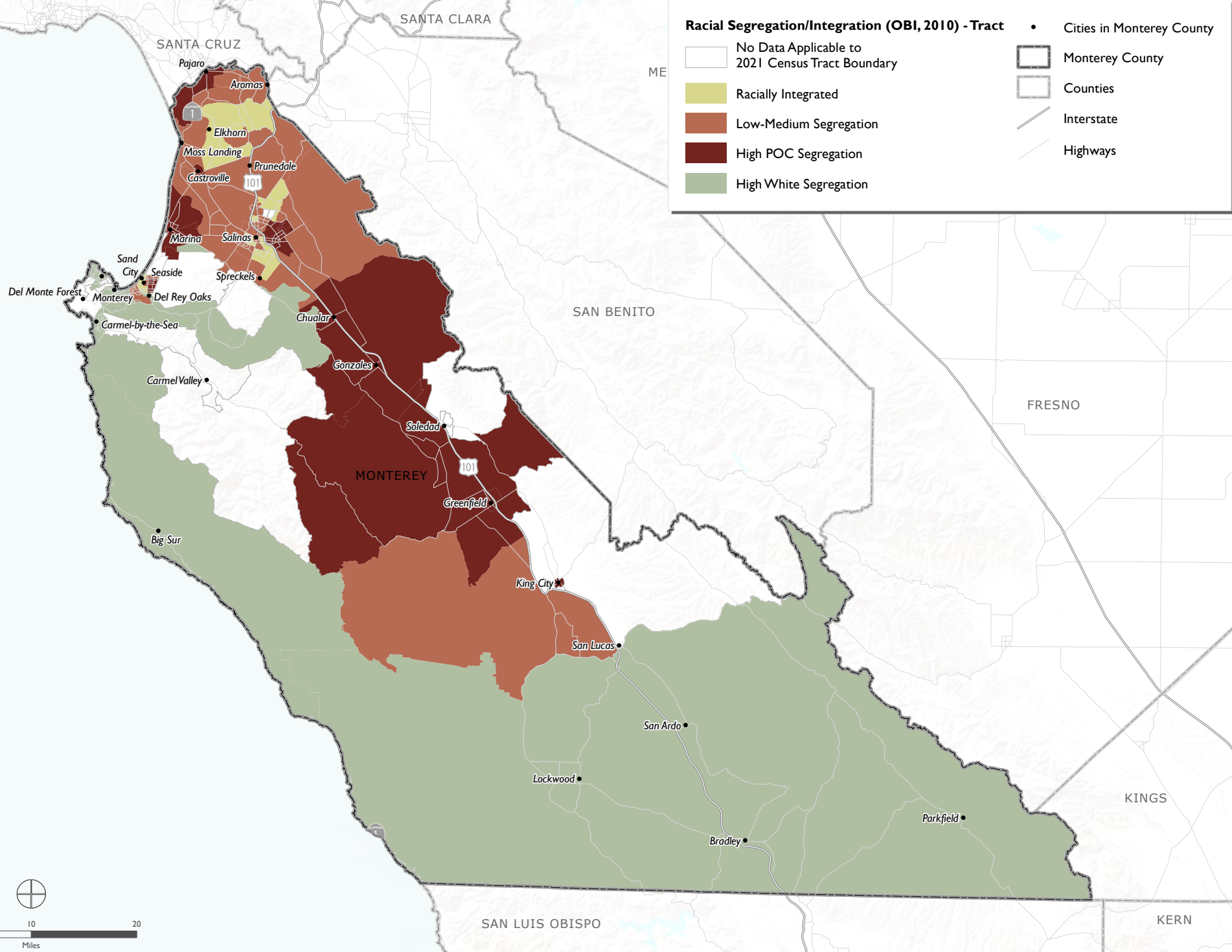
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Racial Segregation/Integration (OBI, 2010) - Tract

- No Data Applicable to 2021 Census Tract Boundary
- Racially Integrated
- Low-Medium Segregation
- High POC Segregation
- High White Segregation

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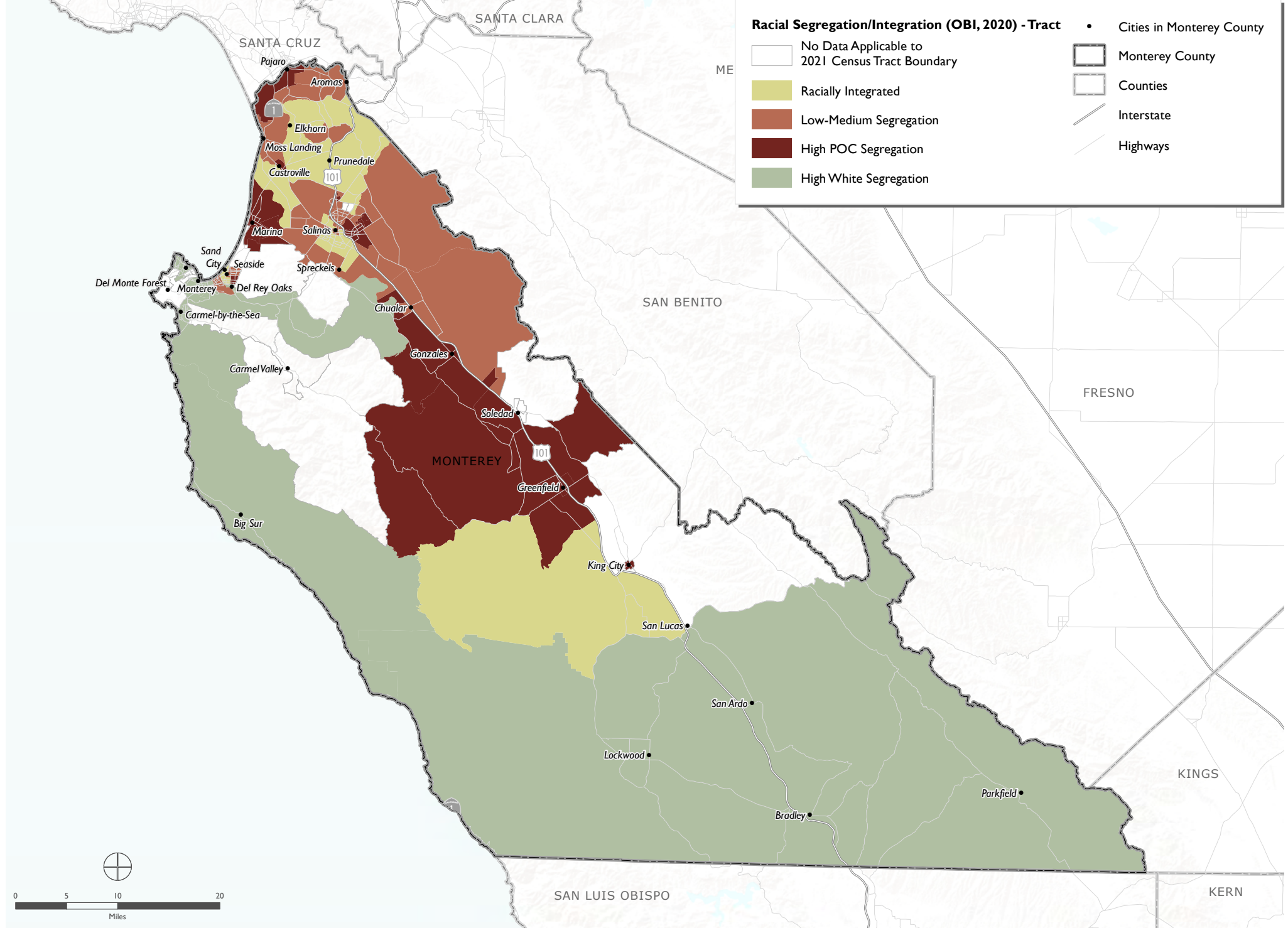
- Cities in Monterey County
- Monterey County
- Counties
- Interstate
- Highways



Data Source: OBI, 2022; City of Monterey, 2022; Monterey County GIS, 2022; Djett & Bhatia, 2022.

D-4: Racial Segregation/Integration (2020), Monterey County

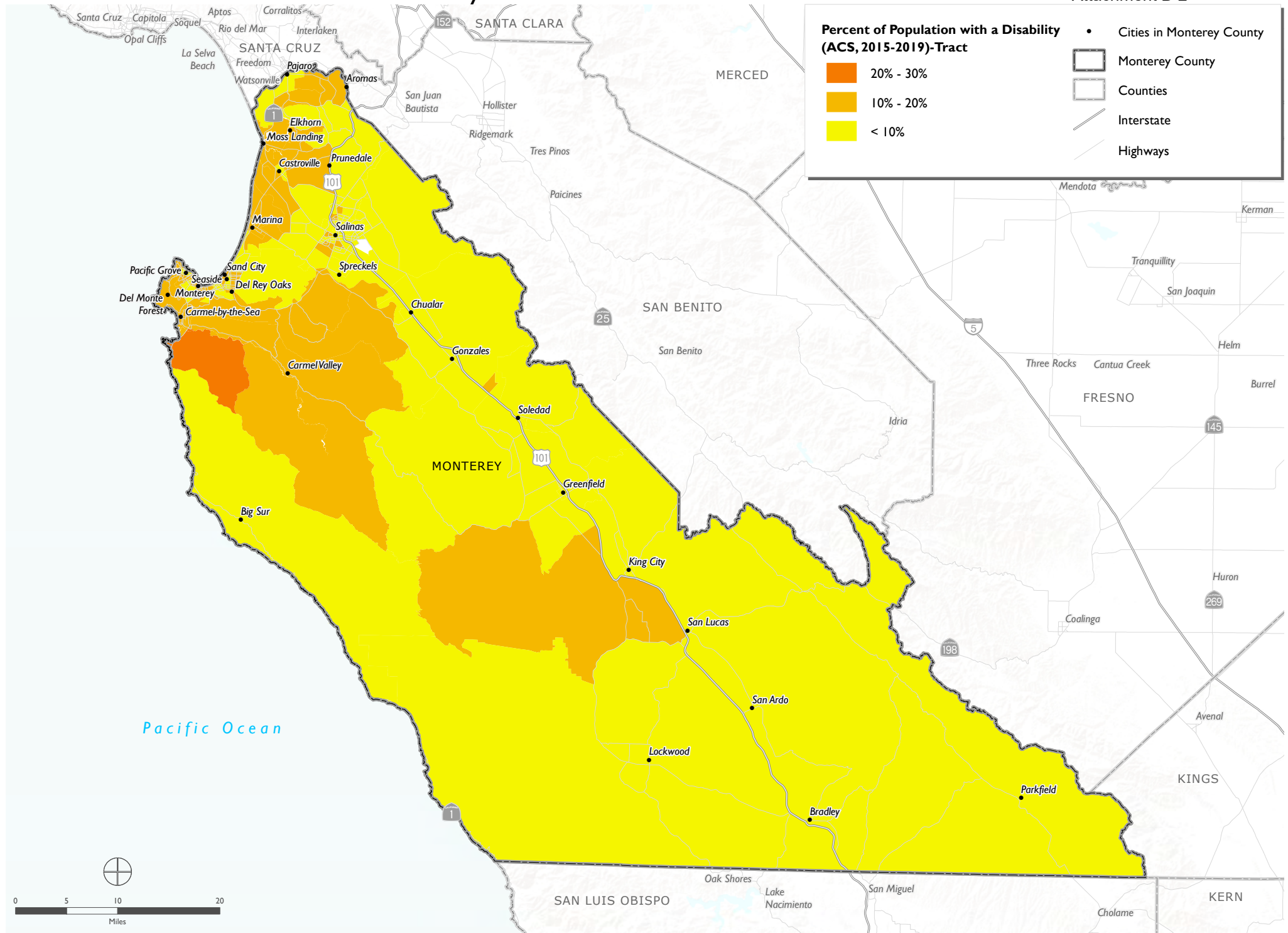
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Data Source: OBI, 2022; City of Monterey, 2022; Monterey County GIS, 2022; Djett & Bhatia, 2022.

D-6: Persons with Disabilities in the County

Attachment B-2



Data Source: Affirmatively Furthering Fair Housing Data and Mapping Resources, Housing and Community Development, California, 2021; American Community Survey (ACS) (2015-2019); City of Monterey, 2022; Monterey County GIS, 2022; Dyett & Bhatia, 2022.

The City has enacted regulations to ensure that reasonable accommodations are made for housing designed for occupancy by, or with supportive services for persons with disabilities. As described more fully in Appendix C, the City amended the Zoning Code in 2016 to add Article 30, Reasonable Accommodation to provide a process for individuals with disabilities to request relief from the various land use, zoning, or building laws. To facilitate the review and approval process, requests for reasonable accommodation are reviewed by the City Manager or a designated staff member unless the request is submitted for concurrent review with an application for discretionary planning or zoning approval. The City has appointed an ADA Coordinator to assist applicants with preparation and submission of accommodation requests.

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FAMILIAL STATUS

Familial status may be another basis for discriminatory housing practices, including discrimination against families with children. Such discrimination may limit the choices where families can live and lead to geographic concentrations within a community. In particular, female headed households with children may be targets of discrimination. Within the City, as indicated in Table D-5, most children under 18 years live in married couple families (82.9 percent), which is greater than the share in the County (69.1 percent). Female headed households are more common in the County with 20.5 percent of children under 18 living in them as compared to 9.1 percent in the City, while the percentage of male headed households is more similar between the City and the County (8.0 percent and 10.4 percent respectively). As shown in Map D-7, there is one tract in the City of Monterey comprising Downtown and Old Town with more than 20 percent of children under 18 years in female headed households, the threshold above which is considered overconcentration. Map D-8 makes it clear that almost all children in the City live in married couple households. As demonstrated by Map D-9, the County has geographically large but less populous areas in the south and a few areas in the northern and central parts of the County with 20-40 percent of children living in female headed households.

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Table D-5: Children Under 18 Years in Monterey Households, 2020

Household Type	City of Monterey		Monterey County	
	Number	Percent	Number	Percent
Married-Couple Family	1,805	82.9%	33,592	69.1%
Male Householder, No Wife Present	175	8.0%	5,069	10.4%
Female Householder, No Husband Present	198	9.1%	9,942	20.5%
Total	2,178	100.0%	48,603	100.0%

Source: U.S. Census Bureau, 2020 ACS Five-Year Estimates (Table S0901)

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According to the 2012-2016 ACS, about 46 percent of female single-parent family households in Salinas lived below the poverty level (compared to less than 16 percent of all family households in the City). In Seaside, 39 percent of female single-parent family households lived below the poverty level (compared to only 11 percent of all family households in the City). While in Monterey, only nine percent of female single-parent family households lived below the poverty level (compared to only three percent of all family households in the City). In Monterey County as a whole, about 40 percent of female households lived in poverty; by comparison, 12 percent of all family households in the County lived below the poverty level. Therefore, due to the presence of a concentration of female headed households in the City of Monterey and the pattern of poverty among this group throughout the City and County, female headed households might have less choice in their housing selection. But, where they are concentrated is considered an area (Downtown and Old Town) where access to opportunity is higher than other areas, specifically for jobs and education.

INCOME LEVEL

Geographic concentration by income, including concentration of poverty, is another type of segregation that may exist within a jurisdiction. The concentration of low- or moderate-income (LMI) individuals provides one method to gauge the extent of segregation. HUD defines an LMI area as a census tract or block group where over 51 percent of the households have an annual income that is less than 80 percent area median income (AMI), based on HUD income definitions. Map D-10 provides the distribution of LMI block groups across the City of Monterey. As seen in Map D-10, within the City there are three LMI areas that fall within the Old Town, Downtown, Oak Grove, and Del Monte neighborhoods. The [downtown](#) LMI area ~~is also a census tract identified as~~ [having an overconcentration of Female Households with Children Under 18 Years](#) ~~on~~ Map D-7.

In Monterey County, as shown on Map D-11, LMI areas exist adjacent to the City of Monterey in the cities of Seaside, Sand City, and Del Rey, to the north near Salinas, Castroville, and Pajaro, and to the south off of the 101 Freeway near Chualar, Gonzales, Soledad, Greenfield, King City, and San Lucas. As identified in the previous section on the racial/ethnic segregation in the County (Table D-3) many of these cities fall into the County Subdivisions with majority Hispanic/Latino populations.

Poverty rates and the concentration of poverty over time can provide an insight into the economic wellbeing of households and individuals in the County and in the City. As of 2020, the City had a poverty rate of 11.5 percent and the County had a poverty rate of 12.0 percent, both of which are lower than the California poverty rate of 12.6 percent. However, poverty is unevenly distributed by race/ethnicity in the City of Monterey (see Table D-6). Residents living below the poverty line who identify as Hispanic/Latino, Native American, Asian, and Other are overrepresented when compared to their share of the total population, while residents who identify as White, Black or African American, Native Hawaiian and Other Pacific Islander, and Two or More Races are underrepresented among those below the poverty line. For instance, while Hispanic/Latino residents make up 14.6 percent of the total population they constitute 30.6 percent of the population living below the poverty line. Residents who identify as Black or African American, on the other hand, make up 3.0 percent of the total population but constitute 2.9 percent of the population living below the poverty line.

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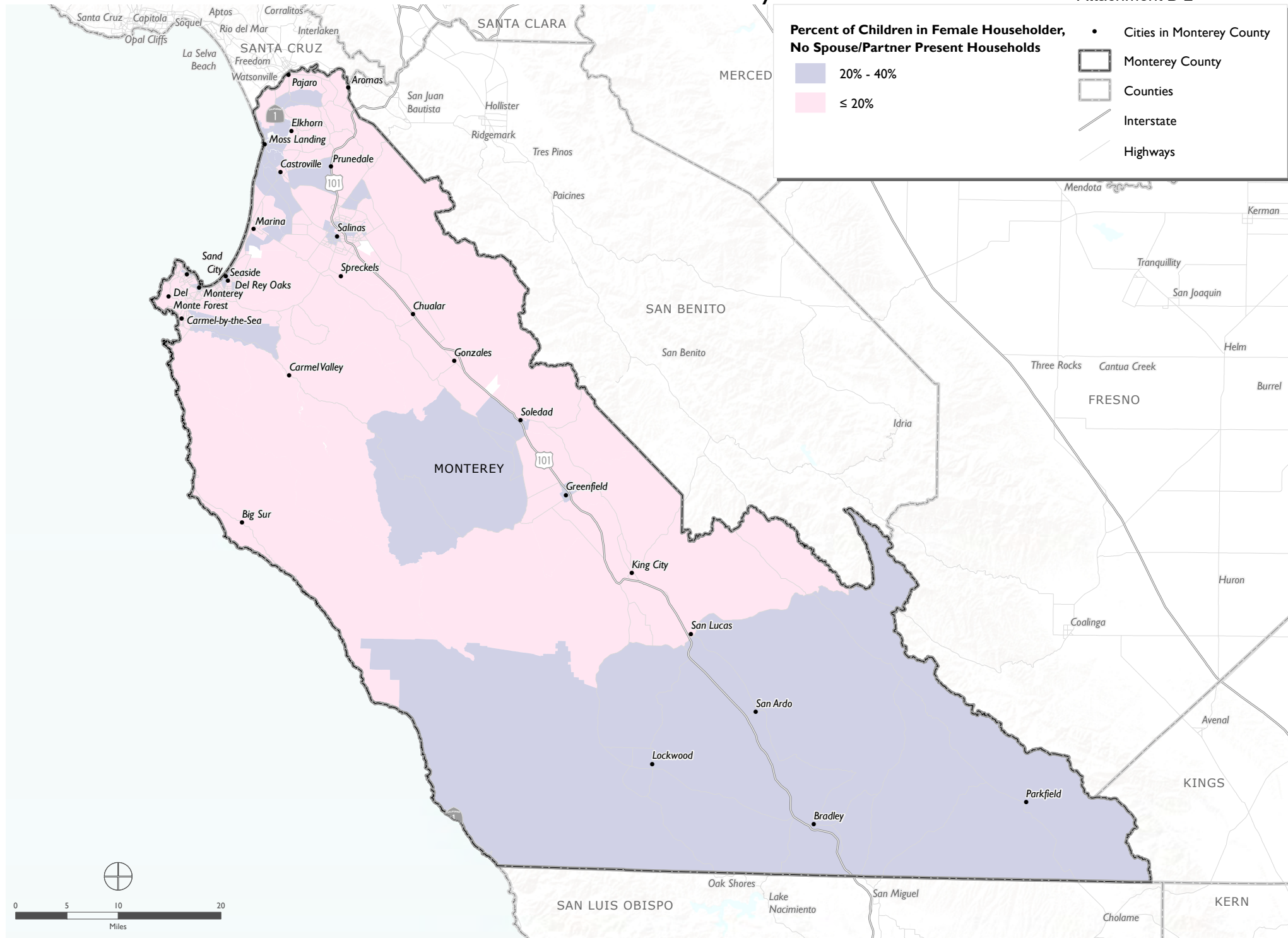
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D-9: Percent of Children in Female-Headed Households in the County

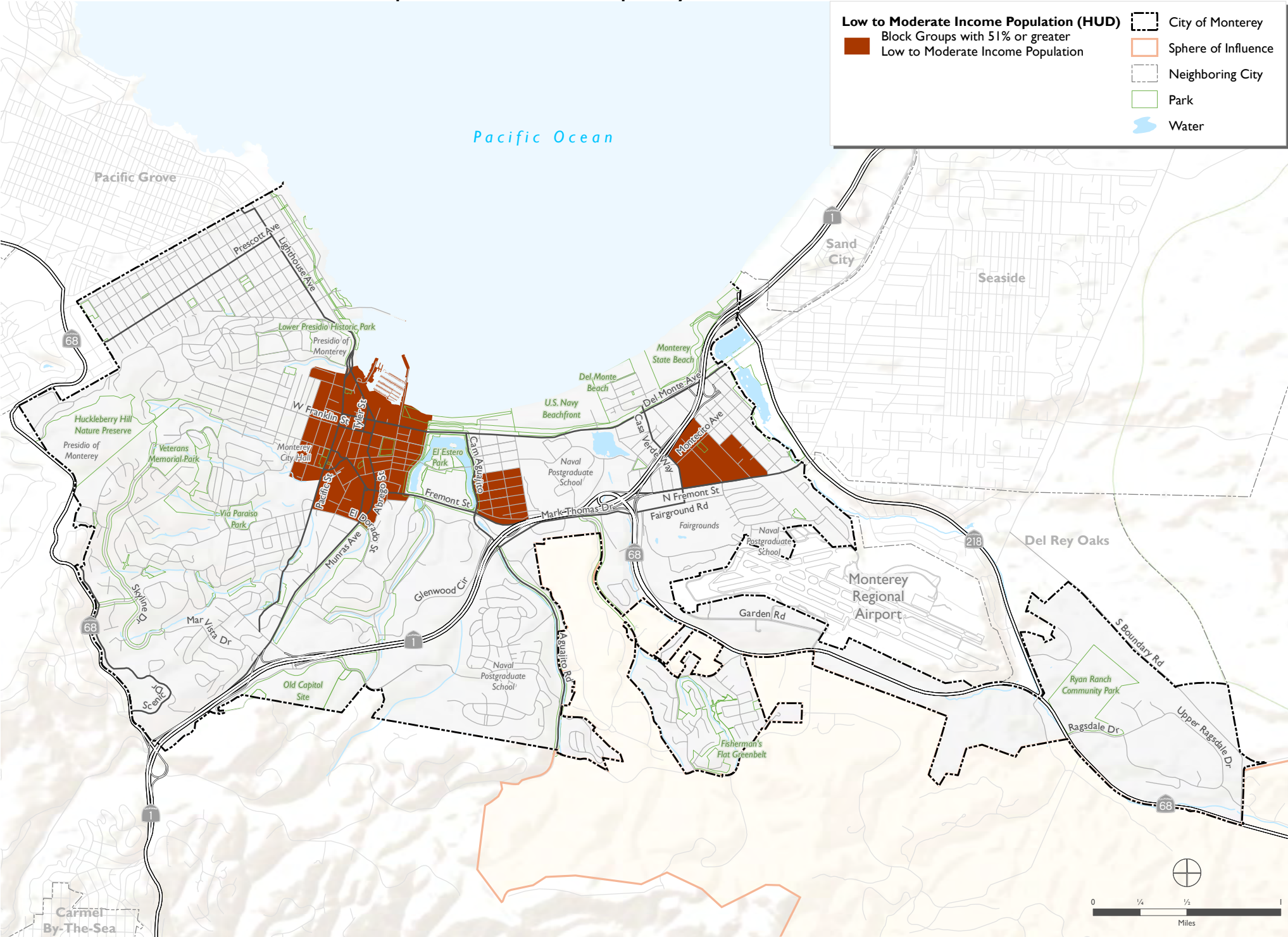
Attachment B-2



Data Source: Affirmatively Furthering Fair Housing Data and Mapping Resources, Housing and Community Development, California, 2021; American Community Survey (ACS) (2015-2019); City of Monterey, 2022; Monterey County GIS, 2022; Dyett & Bhatia, 2022.

D-10: Low- to Moderate-Income Population, Block Group, City

Low to Moderate Income Population (HUD)	City of Monterey
Block Groups with 51% or greater Low to Moderate Income Population	Sphere of Influence
	Neighboring City
	Park
	Water



Data Source: Affirmatively Furthering Fair Housing Data and Mapping Resources, Housing and Community Development, California, 2021; American Community Survey (ACS) (2011-2015); HUD, 2020; City of Monterey, 2022; Monterey County GIS, 2022; Dyett & Bhatia, 2022.

Table D-6: Poverty Rates in City of Monterey, 2020

Race/Ethnicity	Total Population		Population Below Poverty Level	
	Number	Percent	Number	Percent
White (NH)	20,064	65.6%	1,441	33.3%
Hispanic/Latino	4,452	14.6%	1,323	30.6%
Black or African American (NH)	918	3.0%	127	2.9%
Native American (NH)	243	0.8%	169	3.9%
Asian (NH)	1,529	5.0%	259	6.0%
Native Hawaiian and Other Pacific Islander (NH)	102	0.3%	0	0.0%
Other (NH)	1,576	5.2%	790	18.3%
Two or More Races (NH)	1,697	5.5%	216	5.0%
Total	30,581	100.00%	4,325	100.00%

Source: U.S. Census Bureau, 2020 ACS 5-year estimates subject table (S1701)

Between 2014 and 2019, patterns of poverty in the City shifted as shown on Map D-12 and Map D-13. In 2014, the neighborhoods of Downtown, Old Town, Oak Grove, NPS, Alta Mesa had between 10 and 20 percent of their population living below the poverty line. In 2019, the areas where higher rates of the population are below poverty levels, between 20 and 30 percent, were found on the eastern edge of the City. These neighborhoods include Del Monte Beach, Villa Del Monte, Del Monte Grove/Laguna Grande, NAVY, and Casanova Oak Knoll.

HOUSING CHOICE VOUCHERS

Housing Choice Vouchers allow very low-income families to choose and lease or purchase safe, decent, and affordable privately-owned housing. The choice of housing is left up to each individual family with the objective of limiting segregation by income. An analysis of where households using Housing Choice Vouchers (HCV) are concentrated can be useful for making sense of segregation and integration trends within a community and how well the program has worked to achieve the objective of reducing segregation by income. The HCV program aims to encourage participants to avoid high-poverty neighborhoods and promote the recruitment of landlords with rental properties in low poverty neighborhoods. The ability to achieve this is, of course, limited by the willingness of property owners to participate, as well as the type of housing available.

A study by HUD’s Development Office of Policy Development and Research found a positive association between the HCV share of occupied housing and neighborhood poverty concentration and a negative association between rent and neighborhood poverty. This showed that HCV use was concentrated in areas of high poverty, where rents tend to be lower, contrary to the program’s objectives. In areas where these patterns occur, the program has not succeeded in moving holders out of areas of poverty. In the City of Monterey, neighborhoods with concentrations of low-income populations do not overlap with those that have more than 5 percent of renters using HCV (see Map D-14). Within the County, HCV users are not concentrated in the City of Monterey. Other nearby cities to the west have fewer HCV users while in areas like Salinas HCV use is more widespread across the City (see Map D-15).

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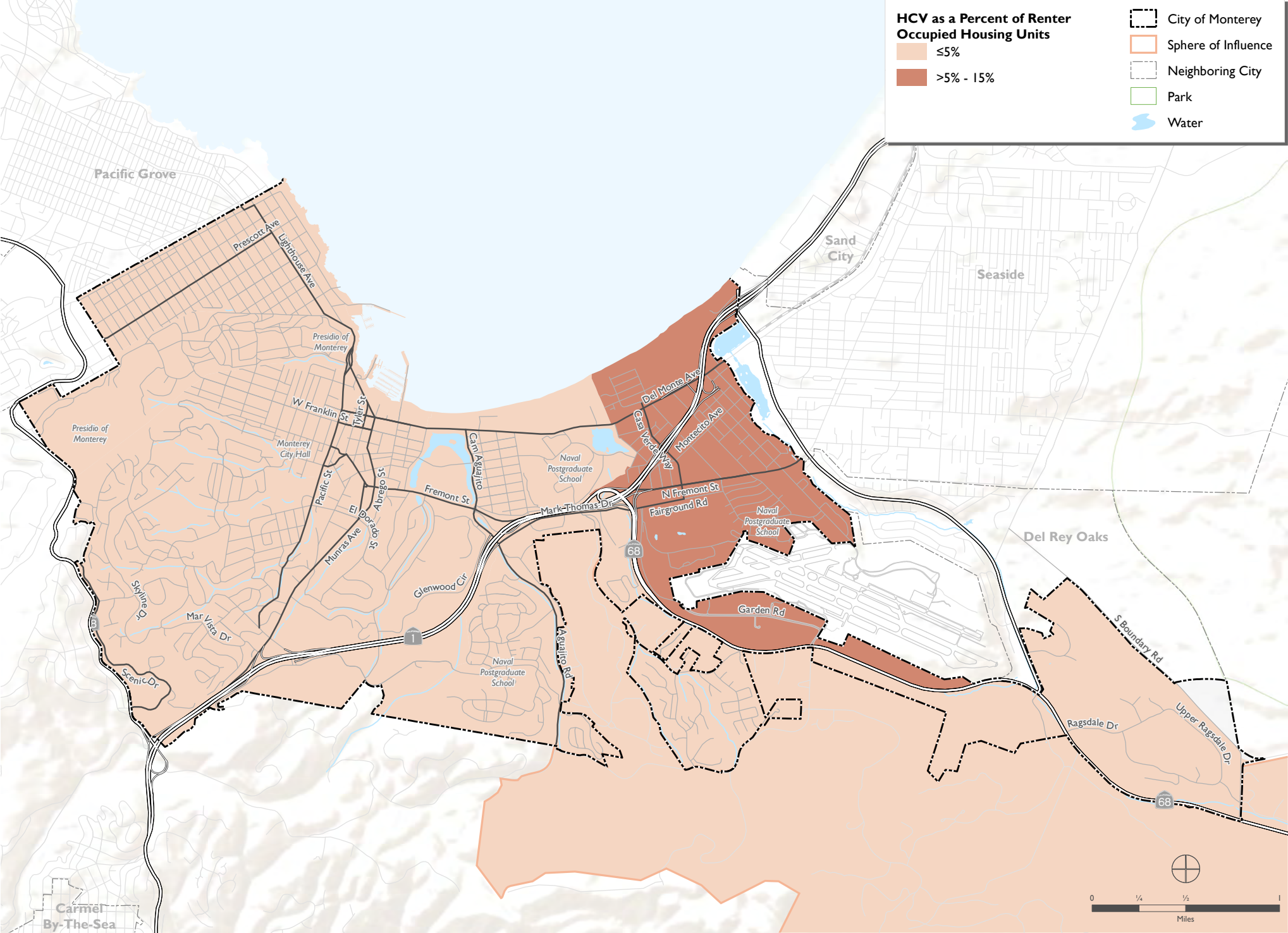
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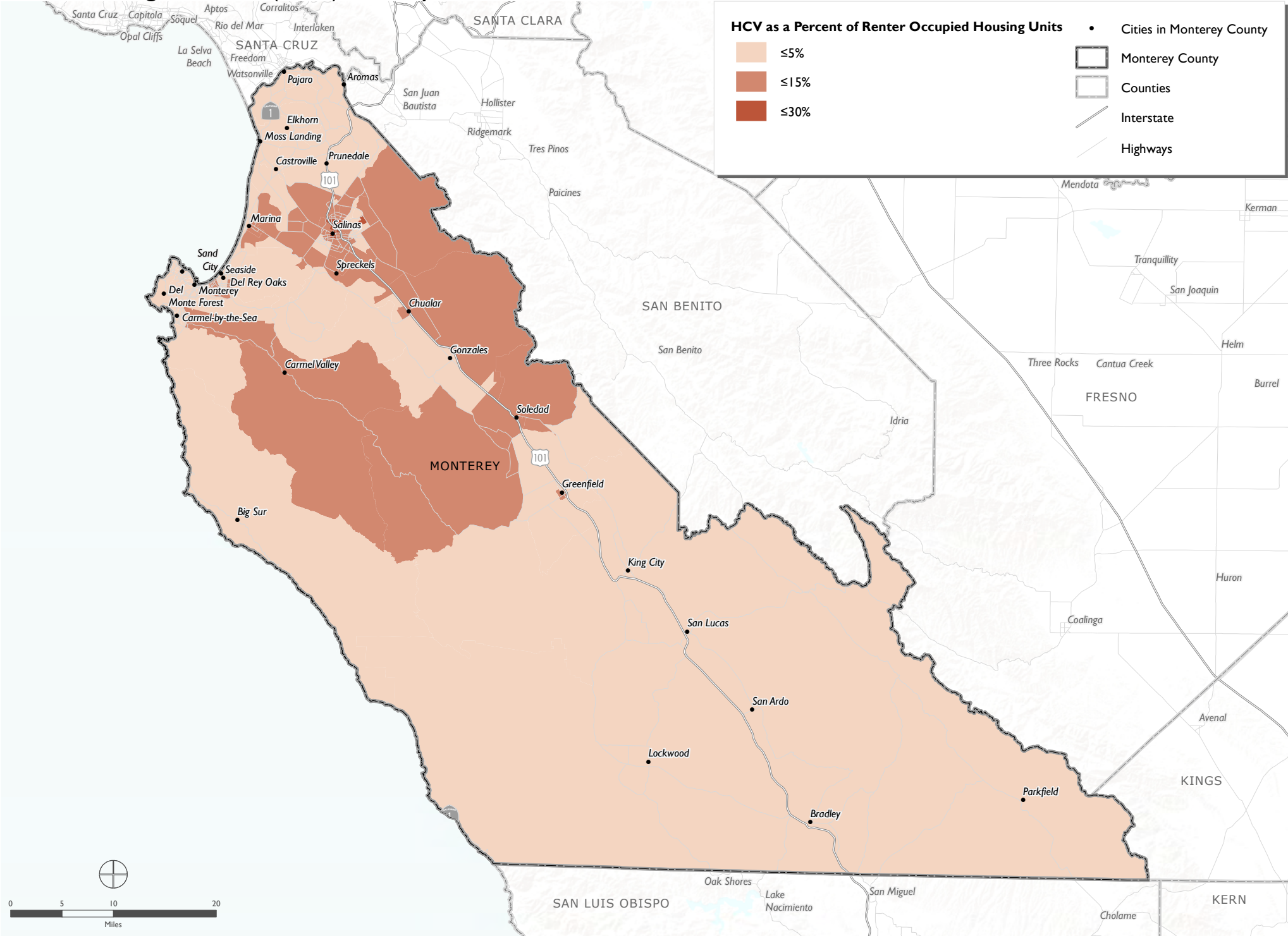
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D-14: Housing Vouchers (2019), City of Monterey



Data Source: Affirmatively Furthering Fair Housing Data and Mapping Resources, Housing and Community Development, California, 2021; Placeworks, 2021; American Community Survey (ACS) (2015-2019); City of Monterey, 2022; Monterey County GIS, 2022; Dyett & Bhatia, 2022.

D-15: Housing Vouchers (2019), County



Data Source: Affirmatively Furthering Fair Housing Data and Mapping Resources, Housing and Community Development, California, 2021; American Community Survey (ACS) (2011-2015); HUD, 2020; City of Monterey, 2022; Monterey County GIS, 2022; Dyett & Bhatia, 2022.

There are no areas in the City of Monterey where there is an overconcentration of HCVs; only one census tract had more than five percent of HCV recipients. In Monterey, fewer than five percent of the households in the Del Monte Beach, Villa Del Monte, Del Monte Grove/Laguna Grande, Casanova Oak Knoll, and NAVY neighborhoods had HCVs. By way of comparison with the rest of the County, Salinas has census tracts where 15 to 30 percent of the households are HCV recipients, but there are no tracts in Salinas or anywhere else in the County where more than 30 percent of the households hold vouchers.

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As of 2015, 1,459 households (as reported by the County's 2019 AI) were on the HCV waiting list and 6,521 households were on the waiting list for Public Housing, indicating a need for the expansion of affordable housing options for those in need. Reflecting the County's demographics, 82 percent of those on the waiting list for HCVs were White and 69 percent Hispanic.

The Housing Authority County of Monterey (HACM) has a current allocation of 4,335 Housing Choice Vouchers (HCV) and 199 vouchers through the HUD Veterans Affairs Supportive Housing (VASH) for veterans. However, due to federal budget reductions, only 3,235 HCVs are available for use in the County; 184 are in use in the City alone. HACM's public housing has been converted to Project-Based Rental Assistance where tenants utilize the HCV. The conversion of HACM properties to Project-Based Rental Assistance could offer the City an opportunity to collaborate with the Housing Authority to provide funding assistance for rehabilitation and repair of HACM units.

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SUBSIDIZED HOUSING

HACM provides rental assistance, develops, and manages affordable housing throughout Monterey County. The HACM owns and manages over 1,000 units of affordable rental housing throughout the County. Most of these units were originally developed as public housing units. However, beginning in 2015, HACM initiated the process of converting the public housing developments into project-based rental assistance units. That conversion process has been completed.

In addition to using vouchers issued by the Housing Authority, individual housing projects may have a percentage of total units set aside for eligible low-income households and individuals under federal, state, and/or local programs such as state and local bond programs, Low-Income Housing Tax Credits (LIHTC), density bonus, or direct assistance programs. The location of these assisted housing units is affected by economic feasibility, which means affordable housing is more likely to be developed where the zoning allows higher density development or the cost of developable land is lower. Reducing the development costs per unit can allow for lower housing payments and lower rents.

As of 2019, there were 17 housing projects in Monterey with subsidies requiring rental to lower income households (Table D-7) including both HACM units and units funded by other programs as described above. Monterey has a smaller share of affordable housing than Salinas (Chart D-7), but a larger inventory than all other cities in the County.

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Table D-7: Assisted Housing Projects, City of Monterey

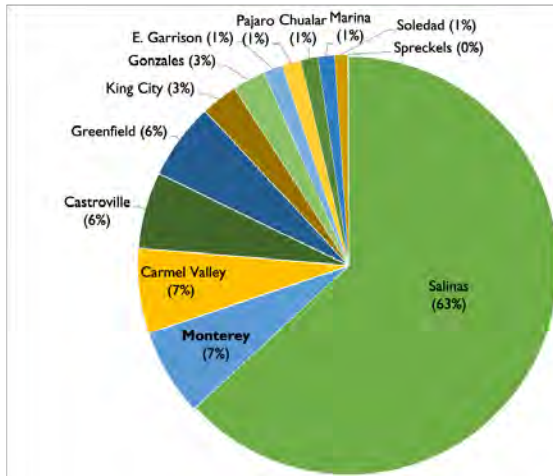
Name	Address	Affordable Units
Casanova Plaza	800 Casanova Avenue	86
Oak Grove	1100 Second Street	5
Portola Vista	20 Del Monte Avenue	64
Montecito	242 Montecito	8
Watson	531 Watson Street	5
Osio Plaza	355 Calle Principal	30
Interim Inc	604, 606, 608 Pearl Street	19
Community Human Services	544 Pearl Street	6
Casa de la Estrella	420 Estrella Avenue	8
Centennial Gardens	399 Drake Avenue	6
Dream Theatre Site	675 Lighthouse Avenue	3
Sunrise Assisted Living	1125 Cass Street	12
Skyline Townhomes	1330 Skyline Drive	8
Van Buren Senior Housing	613 Van Buren Street	19
Casa de Los Robles	504 W. Franklin Street	6
Dela Vina Apartments	34 Dela Vina Avenue	14
El Estero Senior Apartments	151 Park Avenue	26
Monterey Hotel Apartments	410 Alvarado Street	18

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Source: 2019 Monterey County Analysis of Impediments

Chart D-7: Share of Units Affordable to 80 Percent AMI, County of Monterey



Source: 2019 Monterey County Analysis of Impediments

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The number of affordable units in the City of Monterey can be attributed to its successful Inclusionary Housing Program. [The County also assures consistent application of an Inclusionary Housing Ordinance (Chapter 18.40 of the Monterey County Code), which requires that 20 percent of units/lots in new residential developments be affordable to very low-, low-, and moderate-income households. The Ordinance applies to developments of three or more units/lots and exempts farm worker housing and mobile home parks. Requirements of the Ordinance can be met through on-site provision, off-site provision, and payment of in-lieu fees. Developments of three or four units/lots are expected to meet the inclusionary obligations through payment of in-lieu fees, although the developer has the option to build an inclusionary unit instead. Developments of five or more units/lots are expected to meet the inclusionary obligation through the development of inclusionary housing units. Inclusionary units are restricted for affordability in perpetuity.]

The City has made recent efforts to grow its share of affordable housing evidenced by emerging pipeline projects. Ten units have been rented on City leased property at 595 Munras Avenue, two of which are affordable. There are several other projects under development that will include affordable units through the inclusionary zoning ordinance. Projects include 2300 Garden Road that was recently issued a building permit for 64 units of which 13 are affordable. The developer for 2300 Garden Road also obtained Preliminary Architectural Review approvals for an additional 91 units at 2000 and 2600 Garden Road of which 20% would be affordable units. However, the developer is reconsidering these proposals at this time and staff anticipates entirely new concepts to be submitted in 2023. Older projects such as 2200 North Fremont that included 40 Dwelling Units with eight affordable units through a seven percent Density Bonus and Inclusionary Housing have been approved, but the developer is no longer actively pursuing building permits. The City also has entered into an Exclusive Negotiating Agreement for a 100% affordable low-income project (Van Buren Senior Housing Project; 669 Van Buren Street) on City owned land behind City Hall. The number of units is in the process of being refined although the developer would like to achieve 36 low-income units.

D.3 Racially/Ethnically Concentrated Areas of Poverty and Affluence

To assist communities in identifying racially or ethnically concentrated areas of poverty (R/ECAPs), HUD has developed a census tract-based definition. R/ECAPs are tracts with a non-white population of 50 percent or more and a poverty rate exceeding 40 percent or have poverty rates three or more times the average tract poverty rate for the metropolitan/micropolitan area, whichever threshold is lower. According to HUD estimates provided by HCD, there were no R/ECAPs in the City of Monterey either during the 2009-2013 period or in 2020. Another indicator of the presence of R/ECAPs in a community is the co-occurrence of high levels of segregation and poverty. HCD and the California Tax Credit Allocation Committee (TCAC) developed opportunity maps to inform statewide policy for siting affordable housing for families in California. Instead of a threshold for race, the TCAC/HCD approach uses a location quotient for racial segregation. The poverty threshold is 30 percent of the population living below the poverty line and the location quotient is essentially a measure of the concentration of race in a small area compared to the county level. There are no census tracts identified as High Segregation and Poverty tracts on the TCAC/HCD Composite Opportunity Map (Map D-17). As Map D-16 shows, as of 2020 there are four R/ECAPs in the region, all located in Salinas, 20 miles to the northeast of the City of Monterey.

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<https://monterey.municipal.codes/Code/8>

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Racially/Ethnically Concentrated Areas of Affluence (RCAAs) are not formally defined by HUD or the State, but are generally considered to be areas with high concentrations of wealthy, White residents. An article by Edward G. Goetz, et al. published in HUD’s *Cityscape* journal defines an RCAA as a “census tract in which 80 percent or more of the population is White and has a median income of at least \$125,000.”¹⁴ As described in a recent report focusing on the extent of single-family zoning in the Monterey Region for the California Zoning Atlas, these more affluent areas are characterized by a higher proportion of areas zoned single-family only, many of which perform poorly with respect to Regional Housing Needs Assessment (RHNA) targets for low and very-low income housing.¹⁵

Map D-16 displays the locations of RCAAs under this definition. Within the City of Monterey, one RCAA is located completely within the city limits and one at the southern edge of the city extends into the unincorporated area and lies primarily outside of the City. In contrast, Carmel, Del Rey Oaks, and Pacific Grove lying to the west along the coast and southeast of the Monterey are identified as RCAAs.

The RCAA tract within the City of Monterey has a median income of \$119,775 and 85.6 percent of the population identifies as non-Hispanic White. A notable difference between the RCAA and the rest of the City of Monterey is that 82.1 percent of the RCAA’s structures have one housing unit while only 50.8 percent of structures in the City have one housing unit.¹⁶ Additionally, only 34.3 percent of units are occupied by owners in the City while 78.6 percent of units in the RCAA are occupied by owners. These conditions have stayed largely the same in the last ten years. In 2010, 36.3 percent of the City’s housing units were occupied by renters while 72.5 percent of housing units were owner occupied in the RCAA, meaning people in the RCAA became owners at a faster rate than in the City overall, but not by much. The RCAA’s non-Hispanic White population (82.0 percent) in 2010 and the share of one housing unit structures only changed by a couple percentage points in both the City (49.3 percent) and RCAA (79.7 percent).

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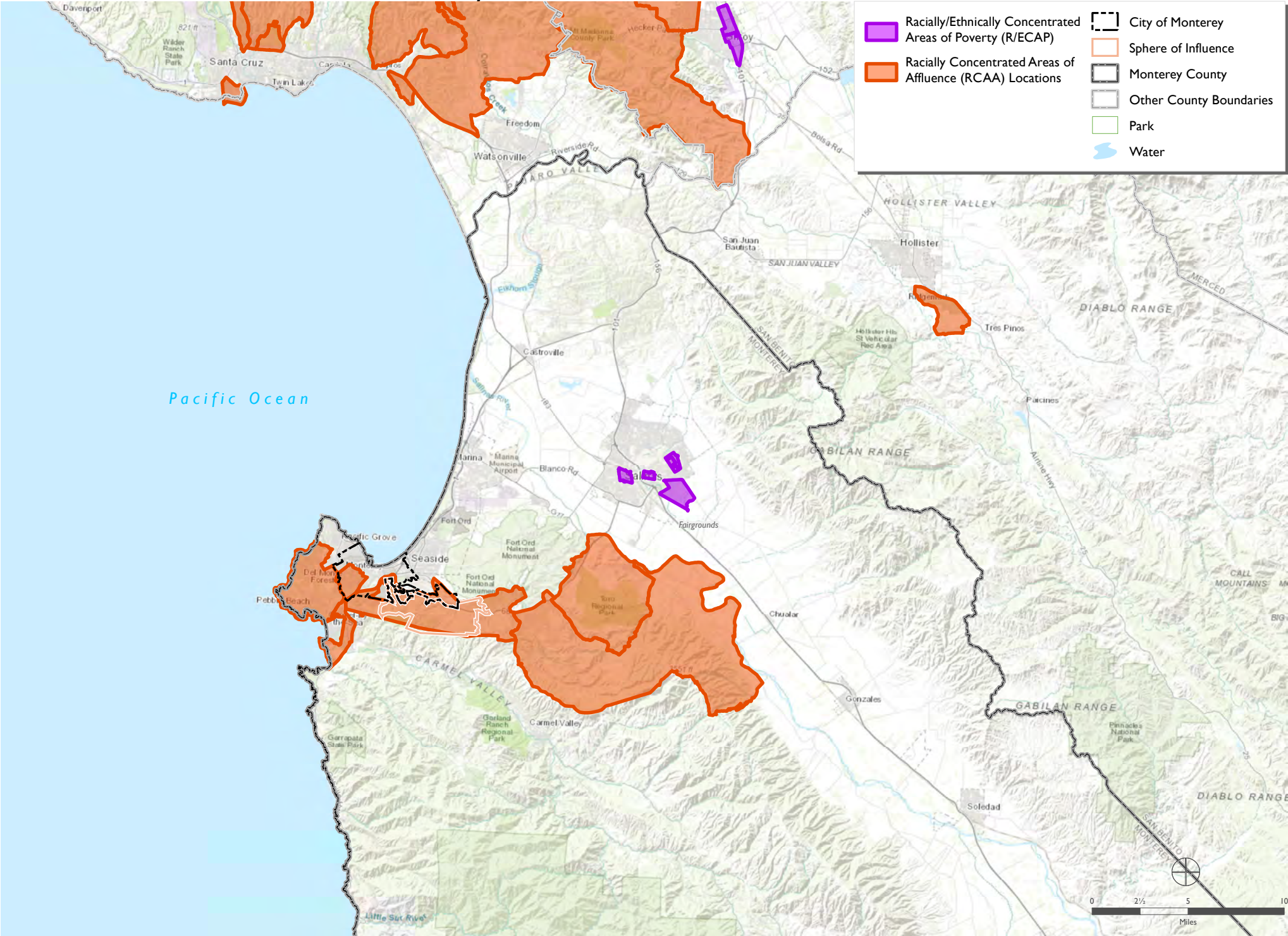
¹⁴ Edward G. Goetz, et al. "Racially Concentrated Areas of Affluence: A Preliminary Investigation" (*Cityscape*, Vol. 21 No. 1, 2019), pp. 99-123.

¹⁵ Shahan Shahid Nawaz et al., "Single-Family Zoning in the Monterey Region: A California Zoning Atlas Snapshot", Othering and Belonging Institute, University of California, Berkeley, July 10, 2023, https://belonging.berkeley.edu/single-family-zoning-monterey-region#footnote1_rj19xwi

¹⁶ US Census Bureau American Community Survey 5-Year estimates of housing by type show a decline in the percent of housing units in single-family detached structures to Monterey to 43.9 percent compared to 62.9 percent countywide.

D-16: R/ECAP and RCAA Locations, County

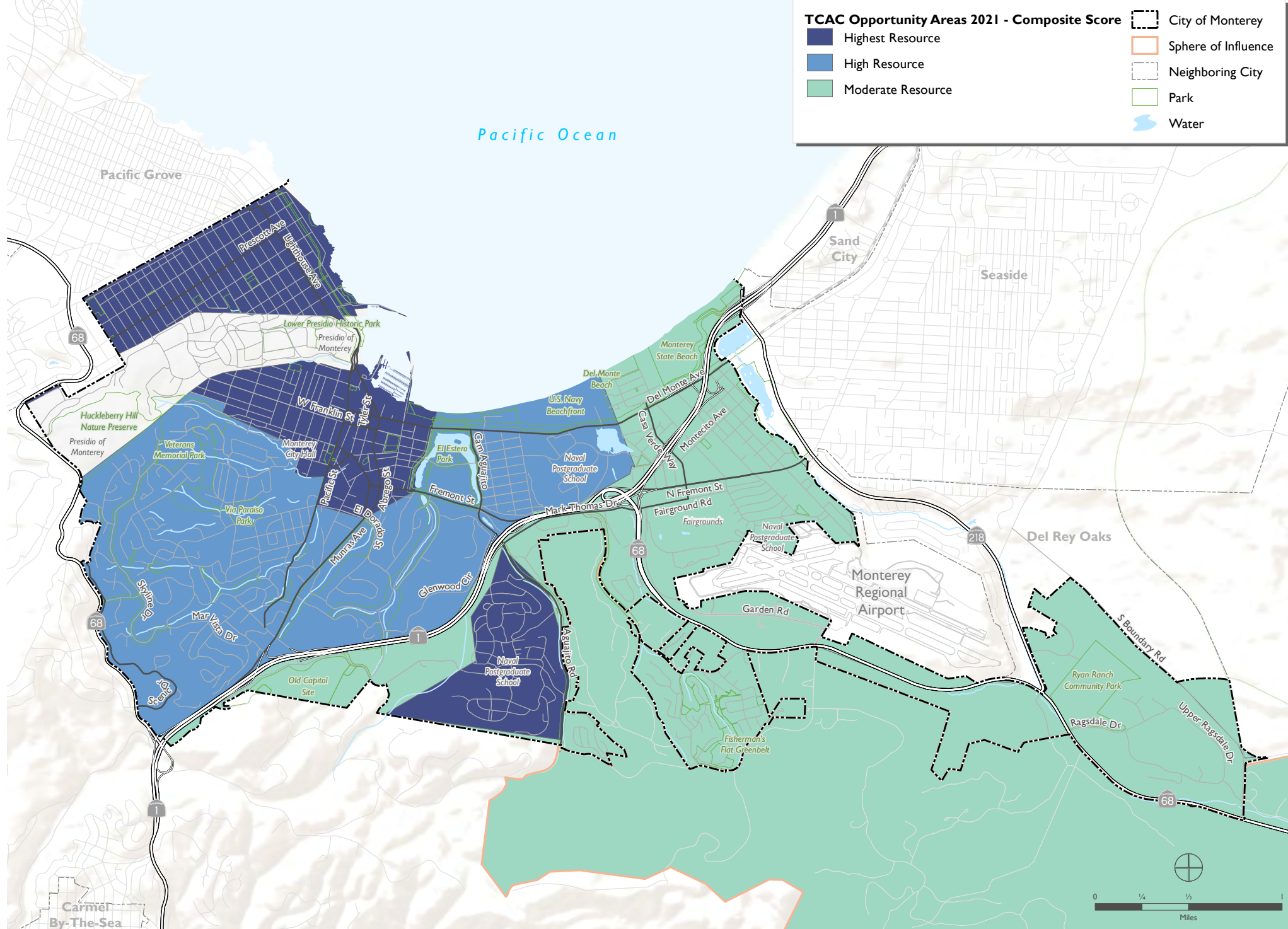
Attachment B-2



Data Source: Affirmatively Furthering Fair Housing Data and Mapping Resources, Housing and Community Development, California, 2021; Placeworks, 2021; HUD, 2020; ACS 2015 - 2019; City of Monterey, 2022; Monterey County GIS, 2022; Dyett & Bhatia, 2022.

D-17: TCAC Opportunity Areas, Composite Score, City of Monterey

Attachment B-2



Data Source: Affirmatively Furthering Fair Housing Data and Mapping Resources, Housing and Community Development, California, 2021; Placeworks, 2021; TCAC, 2021; City of Monterey, 2022; Monterey County GIS, 2022; Dyett & Bhatia, 2022.

D.4 Disparities in Access to Opportunity

To help quantify access to opportunity within a jurisdiction, HCD and TCAC convened in the California Fair Housing Task Force to “provide research, evidence-based policy recommendations, and other strategic recommendations to HCD and other related state agencies/departments to further the fair housing goals (as defined by HCD).” The Task Force developed a series of Opportunity Maps to determine areas with the highest and lowest resources by census tract. Highest resource tracts are the top 20 percent of census tracts with the highest index scores relative to the region, while high resource tracts are the next 20 percent. The remaining tracts are then evenly divided into the low resource and moderate resource categories. Index scores are compiled by domain, as outlined in Table D-8 below. The economic, environmental and education domains were further aggregated to create a composite index, which determines each tract’s resource level.

Table D-8: Domain and Indicators for HCD/TCAC Opportunity Maps

Domain	Indicator
Economic	Poverty
	Adult Education
	Employment
	Job Proximity
	Median Home Value
Environmental	CalEnviroScreen 3.0 indicators
Education	Math Proficiency
	Reading Proficiency
	High School Graduation Rates
	Student Poverty Rate
Filter	Poverty and Racial Segregation

Source: California Fair Housing Task Force, Methodology for the 2021 TCAC/HCD Opportunity Map, December 2020

Understanding disparities in access to opportunity within a community requires an assessment of the regional as well as the local context. The following section provides a summary of regional opportunity at the County level and the greater Monterey Bay Region when applicable, in addition to opportunity in the City. Citywide opportunity is broken down into the distinct categories of educational, economic, and environmental opportunity based on metrics provided by HCD.

REGIONAL CONTEXT

The 2019 AI explores the distribution of five types of opportunity: educational, employment, transportation, access to low poverty neighborhoods, and access to environmentally healthy neighborhoods. Analysis is based on indices provided by the HUD AFFH tool. The higher the index score, the better an area’s access to opportunity. The indices are defined as follows:

- Environmental Health — Summarizes potential exposure to harmful toxins at a neighborhood level.

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- **Jobs Proximity** — Quantifies the accessibility of a given residential neighborhood as a function of its distance to all job locations within a Core Based Statistical Area (CBSA).
- **Labor Market** — Provides a summary description of the relative intensity of labor market engagement and human capital in a neighborhood.
- **Low Poverty** — A measure of the degree of poverty in a neighborhood, at the Census tract level.
- **Low Transportation Cost** — Estimates of transportation costs for a family that meets the following description: a 3-person single-parent family with income at 50% of the median income for renters for the region.
- **School Proficiency** — School-level data on the performance of 4th grade students on state exams to describe which neighborhoods have high-performing elementary schools nearby and which are near lower performing schools.
- **Transit** — Trips taken by a family that meets the following description: a 3-person single-parent family with income at 50% of the median income for renters.

Chart D-8 and Chart D-9 below show index scores based on the July 2020 HUD data release.

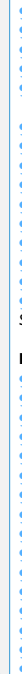
CONTEXT

According to the TCAC Opportunity Areas composite score (see Map D-17), not all possible resource classifications are represented in the City of Monterey; there are no census tracts identified as Low Resource or High Segregation and Poverty. The Highest Resource, High Resource, and Moderate Resource tracts are evenly distributed, with the Moderate Resource classification covering the greatest geographical expanse. The City of Monterey is not typical of the County. Even though it does not have all classifications represented, it still has a greater representation of classifications than much of the County.

Within the County, the City of Monterey, Seaside, Marina, Castroville, and Salinas are the only areas with tracts classified as Moderate Resource and only Salinas and the City of Monterey have areas classified as High Resource. The rest of the County is either classified as Highest Resource (along the coastline except for the southernmost part of the County starting near Lucia) or Low Resource (inland and south within the County). Nearby, other Highest Resource concentrations are in urban areas of neighboring San Luis Obispo County to the south and Santa Cruz and other Bay Area cities to the north.¹⁷

¹⁷ The extent of Highest Resource tracts adjacent to Low Resource tracts is not unique to Monterey County; other areas of California such as Inyo County, Siskiyou County, and Humboldt County appear to have few tracts classified as High or Moderate Resource. All these areas are some of the least densely populated areas in California, containing large amounts of wilderness and small towns. Nationally protected areas within Monterey County include Los Padres National Forest, Pinnacles National Park, Salinas River National Wildlife Refuge, and Ventana Wilderness. Additionally, along the coast, there are many marine protected areas. These protected spaces give great access to environmental opportunity but may limit access to employment and education.

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 Chart D-8: Opportunity Indices, Population Above Poverty Level



Source: HUD, AFFHT0006 Table 12, July 2020
 Chart D-9: Opportunity Indices, Population Below Poverty Level

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Chart D-8: Opportunity Indices, Population Above Poverty Level



Source: HUD, AFFHT0006 Table 12, July 2020

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Chart D-9: Opportunity Indices, Population Below Poverty Level



Source: HUD, AFFHT0006 Table 12, July 2020

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Economic Opportunity

According to California Employment Development Department Local Area Unemployment Statistics (LAUS), Monterey experienced an unemployment rate of 4.5 percent in 2021. While this rate is a 51.3 percent decrease from unemployment rates in 2010, it is a 78.3 percent increase from the 2019 unemployment rate (2.5 percent). Monterey’s significant increase in unemployment in 2020 is likely due to the impacts of the COVID-19 pandemic.

According to ACS 2019 five-year estimates, there were 13,939 persons in the labor force in the City of Monterey in 2019. The largest industry sector represented among the City’s working residents is Health and Educational Services (26 percent), which is a greater share of the workforce represented in the industry compared to the County (19.9 percent). Financial and Professional Services makes up the second largest group of working Monterey residents (24.1 percent). Compared to Monterey County, the number of residents employed in the Agriculture and Natural Resources industry account for significantly less of the City’s employment distribution (2 percent) than that of the County (15.6 percent).

In the City of Monterey, the number of unemployed residents (16 years and over) across all races and ethnicities declined between 2010 and 2020 (see Table D-9) although the share of unemployment by race/ethnicity has shifted with non-Hispanic White residents making up 82.6 percent of all unemployed people. This shift occurred prior to the 2020 pandemic, with 74.2 percent of unemployed people in the City identifying as non-Hispanic White in 2019. As for Monterey County, all race/ethnicities saw decline in unemployment numbers except for the non-Hispanic Two or More Races category between 2010 and 2020. At the County level, the non-Hispanic White group also saw an increase in its share of the unemployed population along with non-Hispanic Asian residents, Other, and Two or More Races between 2010 and 2019. But there was significant shift between 2019 and 2020; the Hispanic or Latino unemployed population changed by 18.8 percentage points to become 40.8 percent of the unemployed population while the non-Hispanic White group went from being 43.6 percent of the unemployed population to only 23.4 percent of it.

Table D-9: Share of Unemployment by Race/Ethnicity, Monterey County

Race/Ethnicity	City of Monterey				Monterey County	
	2010	Percent	2019	Percent	2020	Percent
White (Non-Hispanic)	533	50.2%	320	74.2%	437	82.6%
Hispanic/Latino (NH)	235	22.1%	16	3.7%	0	0.0%
Black or African American (NH)	0	0.0%	0	0.0%	0	0.0%
Native American (NH)	13	1.2%	0	0.0%	0	0.0%
Asian (NH)	141	13.3%	46	10.7%	46	8.7%
Native Hawaiian/Other Pacific Islander (NH)	0	0.0%	0	0.0%	0	0.0%
Other (NH)	128	12.1%	0	0.0%	0	0.0%
Two or More Races (NH)	11	1.0%	49	11.4%	46	8.7%
Total	1,061	100.0%	431	100.0%	529	100.0%

Source: U.S. Census Bureau, American Community Survey 5-Year Data (2016-2020), Table S2301

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As discussed in the Housing Needs Assessment, the industries employing the greatest number of City residents include Health and Educational Services (26.0 percent), Financial and Professional Services (24.1 percent), and Arts, Entertainment, Accommodation, and Food Services (15.9 percent). Compared to the County, the Agricultural and Natural Resources industry is much smaller in the City (15.6 percent compared to 2.1 percent). The City of Monterey in 2017 had the greatest number of jobs in the County followed by Salinas, Seaside, and Carmel-by-the-Sea.¹⁸ Examples of its largest employers include the Monterey Bay Aquarium, [Community Hospital of Monterey Peninsula/Montage Health, Defense Language Institute, and Naval Postgraduate School](#), Monterey Peninsula College and the [City of Monterey](#), Nearby, Pebble Beach Resorts in Pebble Beach, Natividad Medical Center, Premium Packing Inc., and Growers Co. in Salinas, and the US Department of Defense in Seaside are noted as top employers in the County by the State of California Employment Development Department.

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The City of Monterey is located about two hours by car from San Francisco and closer to an hour from San Jose, without traffic. Within the City, there is a free trolley with stops in the downtown area and a regional transit system Monterey-Salinas Transit. It is possible to go as far as Watsonville to the north and Paso Robles to the south. The route follows Highway 101 with stops in Chualar, Gonzales, Soledad, Greenfield, King City, San Lucas, San Ardo, and Bradley. Additionally, there is a route through Carmel and to Salinas with stops in other nearby cities such as Sand City, Marina, Castroville, Moss Landing, Las Lomas, and Pajaro. In total there are seven bus lines.

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Map D-18 shows economic opportunity scores in the City of Monterey are mostly high in all census tracts except for one identified as having a less positive economic outcome. The Monterey Presidio (an active military base) is located within this tract and is its primary use. Access to this area and most of the tract is restricted to those with proper Department of Defense credentials. Stationed units live on the base. Although the State flags this as a tract with a less positive economic outcome, military bases typically have strong economic outcomes because of military activities that attract people from outside of the region and even State for its opportunities. [The city partners with the DOD with an Intergovernmental Support Agreement which provides an economic boost for the local economy.](#)

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There are existing groups working to improve access to economic opportunity in the City of Monterey and the greater Monterey Bay region. The Monterey Bay Economic Partnership is a nonprofit membership organization consisting of public, private, and civic entities located throughout the Counties of Monterey, San Benito, and Santa Cruz. Their Workforce Development Initiative partners with the region's major educational institutions to provide people looking for work with resources. For example, they provide a program called Hospitality 2 Health, a web-based resource to assist hospitality workers transition into careers at senior living communities and skilled nursing facilities in the region. The Cal Coastal Small Business Development (CCSBD) Center promotes the development, growth, and success of small businesses and aspiring entrepreneurs in Monterey and San Benito Counties. As a branch of the Central California Small Business Development Center, it helps businesses start, grow, and succeed in the region. CCSBD offers workshops, trainings, and classes for businesses, entrepreneurs, and individuals. Although they do not offer grants or loans, they do work closely with financial partners who offer a variety of loan programs, as well as other regional and community funding sources. In addition to support for small businesses, they also provide workforce development services.

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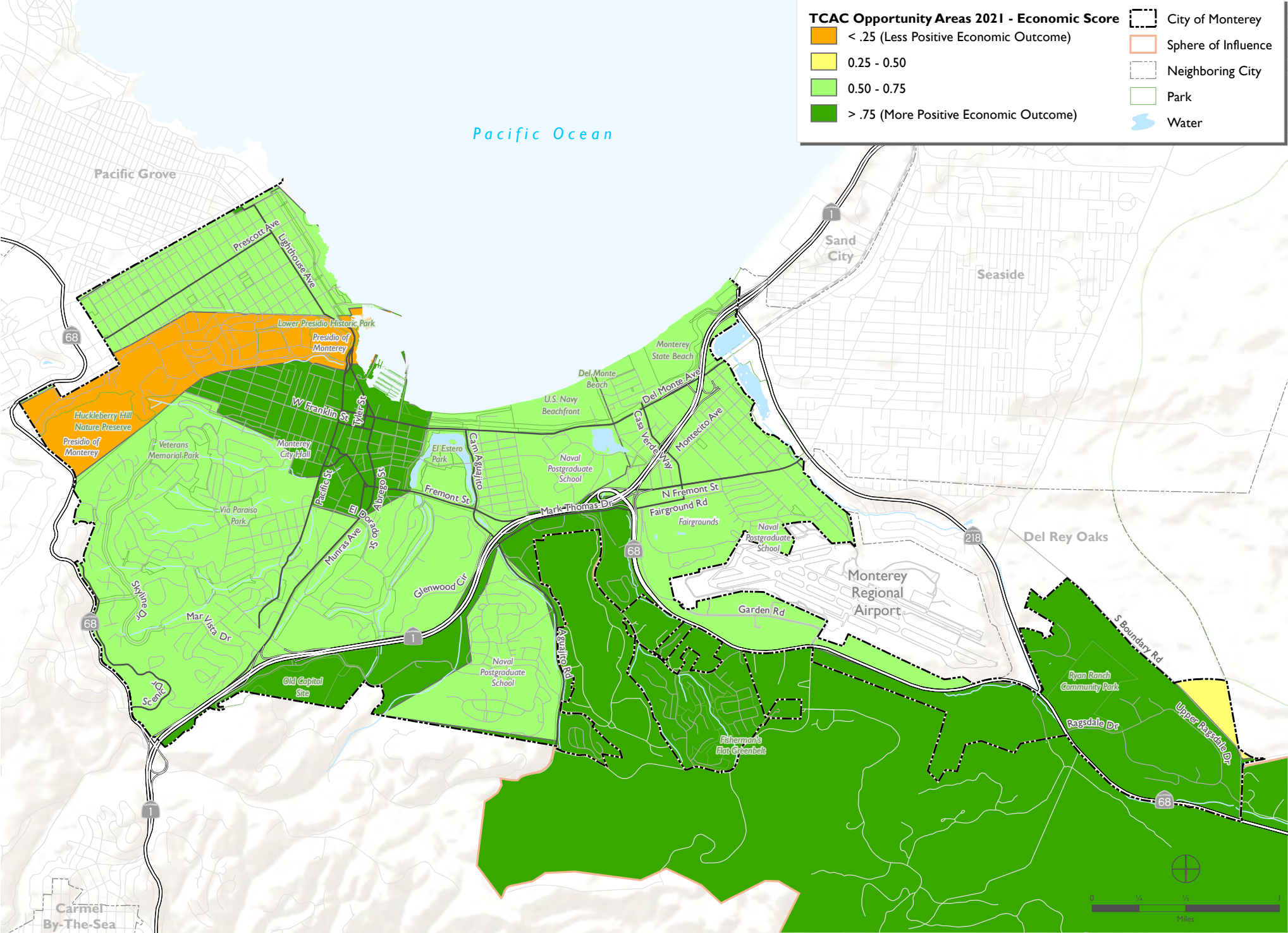
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¹⁸ Monterey Scorecard, September 2017. Available: <https://www.co.monterey.ca.us/home/showpublisheddocument/58216/636457222327600000>

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D-18: TCAC Opportunity Areas, Economic Score, City of Monterey



Data Source: Affirmatively Furthering Fair Housing Data and Mapping Resources, Housing and Community Development, California, 2021; Placeworks, 2021; TCAC, 2021; City of Monterey, 2022; Monterey County GIS, 2022; Dyett & Bhatia, 2022.

No group scored a sizably smaller or greater amount than another in Labor Market Index (LMI) scores. Within the City of Monterey, non-Hispanic Asian or Pacific Islander residents above poverty have the highest Labor Market Index (LMI) score (71.7) by a small margin over all other groups. Black residents have the lowest score (60.86). Comparatively, Monterey County has a greater range of scores with Hispanic or Latino residents having the lowest (29.63) and non-Hispanic White residents having the highest (60.65). Overall, the scores in the City are higher than in the County (see Charts D-8 and D-9).

No group scored a sizably smaller or greater amount than another in Job Proximity Index (JPI) scores. For those above the poverty level, job proximity is very similar among all races/ethnicities in the City. For those below poverty level, there is more variation between groups with Native American residents experiencing the lowest JPI score (75.6) and Black or African American residents experiencing the highest (89.6).

All groups in the County had lower JPI than those in the City and non-Hispanic White and Asian residents in the County had higher JPI scores than other groups (for those both above and below poverty). This reflects the concentration of these groups in the northern part of the County where many of the employment centers are also located. Since Monterey is in the north, the groups concentrated there relative to the rest of the County are going to be in closer proximity to jobs.

Because there is no overconcentration of a disabled population in the City, their ability to obtain a job should not be impacted by where they live as a group (see Map D-5).

The tracts with an overconcentration of female-headed households were classified as having a More Positive Economic Outcome for its Opportunity Area Economic Score (see Map D-7), indicating this protected group is not affected economically by its concentration.

As shown in Table D-9 above, unemployment among non-White groups in the City is lower than unemployment among non-Hispanic White residents. The County has lower unemployment among non-White groups than the City. The only group in the City with an increase in its share of the unemployed population between 2010 and 2019 was those who identified as two or more races, such as mixed-race Americans (1.0 percent to 11.4 percent), otherwise the share of non-White unemployment has lessened over time. Living in the City of Monterey as a non-White worker does not indicate you will have less of an ability to get a job than a non-Hispanic White worker.

Educational Opportunity

The County's 24 school districts serve approximately 78,000 students. Monterey Peninsula Unified School District (MPUSD) serves around 9,800 students. There are ten elementary schools, two middle schools, and four high schools. Additionally, there are two charter schools (International School of Monterey, Seaside and Learning for Life, Marina). Within the City of Monterey there is one public high school and two public elementary schools. Table D-10 summarizes test score results from the 2021-2022 Smarter Balanced assessments of math and English Language Arts (ELA), which forms part of the State's California Assessment of Student Performance and Progress (CAASPP). The proportion of students who meet or exceed standards in ELA or math in City of Monterey is higher than in Monterey County, but lower than in the State. Student success by race and ethnicity is unevenly distributed in Monterey Peninsula Unified (Table D-11). As shown in Table D-11 and D-12, Monterey High School has higher test scores compared to the rest of MPUSD. However, at both MPSUD and Monterey High School, non-Hispanic White, Filipino, and Asian students have higher scores than Hispanic or Latino and Black students. As shown in Table D-13, between the two elementary schools, Monte Vista scores marginally higher in both math and reading.

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Table D-10: CAASP Scores

District/Region	Percent Met or Exceeded Standard	
	English Language Arts	Mathematics
State of California	47.1%	33.4%
Monterey County	31.1%	9.0%
Monterey Peninsula Unified	37.9%	21.4%
Monterey High School	72.6%	32.3%

Source: California Department of Education, CAASPP, Smarter Balanced Summative Assessments, 2021-2022

Table D-11: CAASP Scores by Race in Ethnicity, Monterey Peninsula Unified

Race/Ethnicity	Percent Met or Exceeded Standard	
	English Language Arts	Mathematics
White (Non-Hispanic)	58.10%	43.20%
Hispanic/Latino	31.40%	14.80%
Black or African American	32.90%	17.00%
Native American	31.60%	26.30%
Asian	54.60%	41.60%
Native Hawaiian and Other Pacific Islander	32.40%	11.80%
Filipino	57.50%	31.30%
Two or More Races	41.90%	28.00%

Source: California Department of Education, CAASPP, Smarter Balanced Summative Assessments, 2021-2022

Table D-12: Monterey High School

Race/Ethnicity	Percent Met or Exceeded Standard	
	English Language Arts	Mathematics
White (Non-Hispanic)	79.6%	44.2%
Hispanic/Latino	63.8%	18.4%
Black or African American	75.0%	18.8%
Native American	n/a	n/a
Asian	80.0%	64.0%
Native Hawaiian and Other Pacific Islander	n/a	n/a
Filipino	94.5%	66.7%
Two or More Races	n/a	n/a

I. n/a when there are fewer than ten students for privacy concerns.

Source: California Department of Education, CAASPP, Smarter Balanced Summative Assessments, 2021-2022

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Table D-13: CAASP Scores, 2022

Elementary Schools	Percent Met or Exceeded Standard	
	English Language Arts	Mathematics
La Mesa Elementary	64.9%	57.9%
Monte Vista Elementary	49.8%	48.0%

Source: California Department of Education, CAASPP, Smarter Balanced Summative Assessments, 2021-2022

In 2022, MPUSD adjusted its enrollment boundaries due to declining enrollment and school closures. Certain schools were chosen for adjustment in an effort to get them closer to district averages in racial and ethnic balance, as well as those eligible for free and reduced lunch.¹⁹

Monterey Peninsula College (MPC), a public community college of the California Community College system, is located in the City of Monterey. Other MPC campuses are located in Marina and Seaside. MPC enrolled 6,106 undergraduate students in the 2020-2021 school year. It offers over 100 degree and certificate programs, many of which transfer to four-year colleges and universities. MPC is a Hispanic Serving Institution (HSI) receiving grants to expand educational opportunities for and improve attainment of Hispanic students. Like most community colleges, MPC does not have on-campus housing.

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In the City, 55.7 percent of those 25 or older have a bachelor's degree or higher while in the County 26.7 percent do. In California, 34.7 percent of those 25 or older have at least a bachelor's degree. Relative to the State, the City has higher educational attainment while the County has lower than both.

The 2021 TCAC Opportunity Areas education score, which quantifies access to educational opportunity, is provided in Map D-19. The education score is based on a variety of indicators including math proficiency, reading proficiency, high school graduation rates, and student poverty rates. The education scores range from 0 to 1, with higher scores indicating more positive education outcomes. The map depicts the area southeast of California State Route 1 (SR1) (except for the tract surrounding the Naval Postgraduate School), northeast of SR1 and just northwest of SR1 (i.e., Monterey State Beach area) as having lower educational opportunity scores than the rest of the City. The tract containing the Presidio of Monterey is classified as a less positive education outcome tract.

Transportation Opportunity

In review of opportunity index scores, Low Transportation Cost and Transit Trips between all races/ethnicities above poverty in the City do not vary greatly. As mentioned on Page D-47, the higher the index score, the better an area's access to opportunity, in this case low transportation cost and transit trips. Hispanic or Latino residents had the highest score (68.1) and non-Hispanic White residents had the lowest (63.9). For Transit Trips, Black or African American residents had the highest score (72.7) while Hispanic or Latino residents had the lowest (70.2). For those below poverty, Native American residents had the highest score (72.0) and Asian residents had the lowest (68.6) for Low Transportation Cost. For Transit Trips, Asian residents had the highest score (73.9) and Black residents had the lowest (66.1). Amongst all opportunity index topics, Transit Trips had the greatest similarity between the County and the City.

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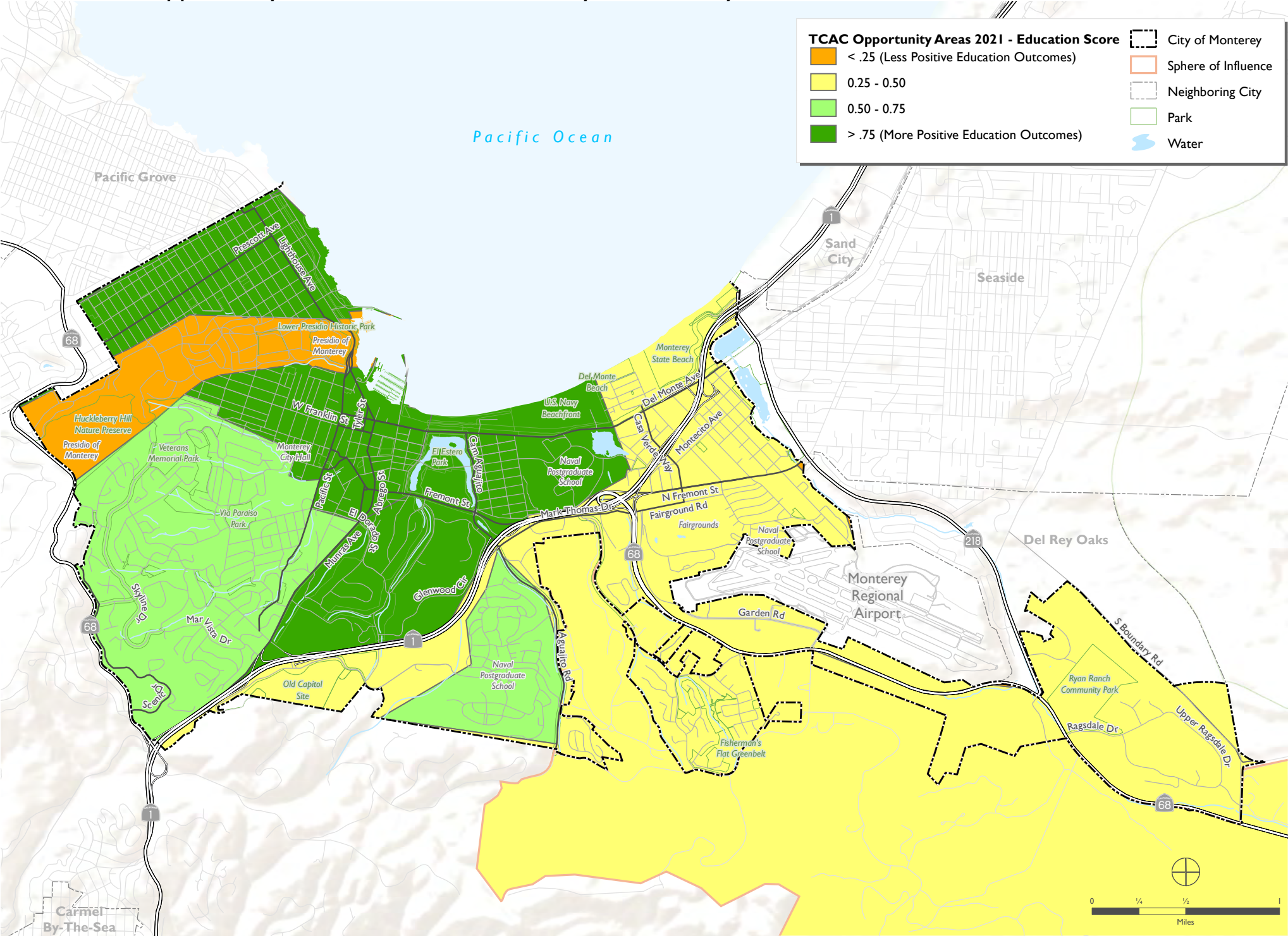
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¹⁹ <https://www.montereyherald.com/2021/12/08/monterey-peninsula-unified-school-district-to-reimagine-attendance-zones-school-sites/>

D-19: TCAC Opportunity Areas, Education Score, City of Monterey



Data Source: Affirmatively Furthering Fair Housing Data and Mapping Resources, Housing and Community Development, California, 2021; Placeworks, 2021; TCAC, 2021; City of Monterey, 2022; Monterey County GIS, 2022; Dyett & Bhatia, 2022.

According to 2019 ACS 5-Year estimates (Table S0802), 9.7 percent of workers below 100 percent of the poverty level, 23.5 percent of workers between 100 to 149 percent of the poverty level, and 66.8 percent of workers at or above 150 percent of the poverty level look public transportation to work. Ninety-one percent of people living in renter-occupied housing units take public transportation to work while nine percent of people in owner-occupied housing units take public transportation to work. Across race and ethnicities, 53.5 percent of non-Hispanic White workers 16 years and over, 7.2 percent of Black or African American workers, 0.0 percent of American Indian and Alaska Native, 13.7 percent of Asian, 0.0 percent of Native Hawaiian and Other Pacific Islander, 1.9 percent of Some Other Race, 12.5 percent of Two or More Race, and 16.7 percent of Hispanic or Latino workers take public transportation.

No racial and ethnic groups in the City of Monterey rely on transit to get to work at a greater rate than others. And as indicated by the Low Transportation Cost and Transit Trip opportunity index scores, there is no pattern or exceptionally low score for a specific group. It seems transit is accessible and not costly for all groups.

Environmental Opportunity

The environmental opportunity score in the TCAC Opportunity Map is based on CalEnviroScreen 3.0 pollution indicators and values (see Map D-20). The CalEnviroScreen is a mapping tool that helps identify areas in the state that are most impacted by various sources of pollution. The score considers four major indicators: exposure (e.g., air quality, lead risk, etc.), environmental effects (e.g., cardiovascular disease, asthmas, etc.), socioeconomic factors (e.g., poverty, unemployment, etc.), and sensitive populations. Disadvantaged communities as defined by CalEnviroScreen 3.0 data are only located in the northern part of Monterey County in Salinas and Marina. This correlates with the areas of lowest resources and highest segregation and poverty in the Monterey Bay region. Because the City of Monterey does not have any disadvantaged communities, it is not required to adopt an environmental justice element.

For the population above poverty level in the City, all races and ethnicities scored between 70 and 80 for the Environmental Health index (see Chart D-8) with Hispanic or Latino residents scoring the lowest (73.2) and non-Hispanic White residents the highest (77.0). Among those under the poverty level, Black or African American residents scored the highest (82.8) and Native American residents scored the lowest (65.0) (see Chart D-9). For both those above and under poverty, the County scored lower.

Because there is no overconcentration of a disabled population in the City, their environmental health should not be impacted by where they live as a group (see Map D-5). The tracts with an overconcentration of female-headed households were classified as having a lower environmental health score, but not the lowest (Less Positive Environmental Outcome). Although relative to the rest of the City, this area had a lower environmental health score; it is still an environmentally healthy area relative to the State, scoring in the 34th pollution burden percentile as determined by CalEnviroScreen 3.0. Relative to the County, the City has better access to environmental health opportunity than neighboring cities to the northeast such as Seaside, Marina, Castroville, and Salinas, but the area to the south in the Carmel Valley and Big Sur census tracts rank in the best possible environmental health scores (1-5 percentiles for the State). Further south and inland in the County, the census tracts rank between the 35th and 55th percentiles for the State.

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- Commented [CS114]: Reference Map D-20 in this paragraph? It's not clear what Map D-20 means - can you summarize what the environmental score means within the City of Monterey...as we look at this map?
- Commented [KC115R114]: The environmental score is referenced at the beginning of the section. This sentence refers to the disabled population, which can be seen in Map D-5.

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D.5 Disproportionate Housing Needs & Displacement Risk

According to HCD’s AFFH Guidance Memo, disproportionate housing need “generally refers to a condition in which there are significant disparities in the proportion of members of a protected class experiencing a category of housing need when compared to the proportion of members of any other relevant groups, or the total population experiencing that category of housing need in the applicable geographic area.” Consistent with HCD guidance, this analysis evaluates disproportionate housing need in Monterey through the assessment of cost burden, overcrowding, and displacement risk. These needs are analyzed within Monterey and compared to Monterey County and the Monterey Bay region when applicable.

COST BURDEN AND SEVERE COST BURDEN

According to the HCD, cost burden is the fraction of a household’s total gross income spent on housing costs. There are two levels of cost burden: (1) “Cost Burden” refers to the number of households for which housing cost burden is greater than 30 percent of their income; and (2) “Severe Cost Burden” refers to the number of households paying 50 percent or more their income on housing.

According to 2015-2019 Comprehensive Housing Affordability Strategy (CHAS) estimates, a total of 2,659 households experience cost burden (22.7 percent) while an additional 2,480 households experience severe cost burden (21.1 percent). This means that a little less than half of all households in the city experience some level of cost burden. Of the 5,139 households experiencing some level of cost burden, 1,764 of them are considered moderate- or above-moderate-income and 1,350 of them are considered lower-income. Thus, cost burden is not limited to lower income households. Further, renters are particularly impacted by cost burden, as, unlike homeowners, they cannot build equity with their homes. Renters in the City of Monterey tend to have higher rates of cost burden than owners – for instance, 52.3 percent of all renters experience some level of cost burden while only 30.1 percent of owners do. Rates are further unevenly distributed between renters and race/ethnicity as shown in Chart D-10 and Chart D-11.

As indicated by Map D-21 and Map D-22, cost burden for renters and owners is not evenly distributed geographically and renters are more cost burdened than owners. For renters, areas south, west and northwest of the Monterey Regional Airport and within the US Navy La Mesa Village property south of Highway 1 are tracts with 60 to 80 percent of renters overpaying. In the rest of the City, all tracts have 40-60 percent of renters overpaying. For owners, tracts west and northwest of Highway 1 and along Monterey Bay have 60-80 percent of owners overpaying while more inland tracts have 40-60 percent of owners overpaying.

Cost burden is not distributed evenly across race and ethnicity in the City. As seen in Chart D-10, 42.3 percent of Black or African American residents in owner occupied units are severely cost burdened and all other races and ethnicities are between 11.1 and 15.0 percent severely cost burdened (except for American Pacific Islander and American Indian or Native Alaskan which did not have data available). Notably, Asian owners experienced 25.3 cost burden and 58.2 percent no cost burden while the rest of the races and ethnicities experienced greater no cost burden and lower cost burden percentages.

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Deleted: For owners, the eastern tracts near the Monterey Regional Airport do not have an overconcentration of owners overpaying (less than or equal to twenty percent)

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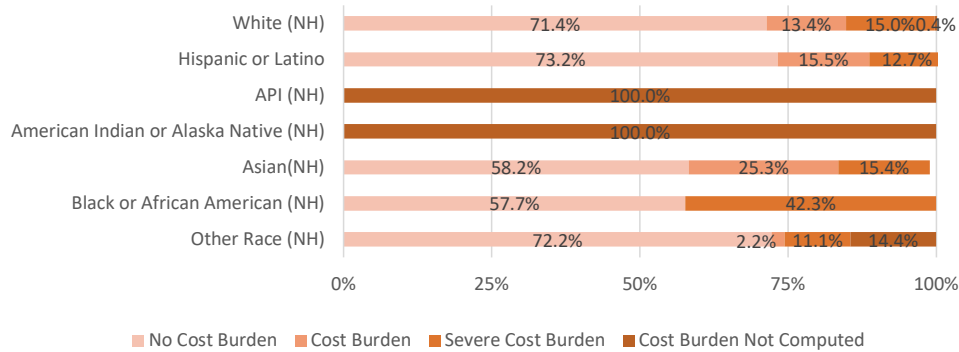
For renter occupied units shown in Chart D-11, every group with data for owner occupied cost burden had lower no cost burden percentages, higher cost burden percentages, and lower severely cost burden percentages. Among renters, American Indian or Alaska Native residents experienced the most severe cost burden at 50.0 percent followed by Asian Pacific Islander residents (42.9 percent), and Hispanic or Latino residents (28.0 percent). The groups experiencing the highest percentages of cost burden were Black or African American (60.4 percent), Hispanic or Latino (32.0 percent), and White (27.9 percent). Interestingly, Hispanic or Latino owners had the highest no cost burden percentage, but Hispanic or Latino renters had the second lowest no cost burden percentage.

Large families are 2.1 percent more severely cost burdened than all other household types, while 4.6 percent of large families are cost burdened, and 10.8 percent of all other household types are cost burdened. Tables and charts with a further breakdown of Income by Family Size, Income, and Cost Burden are accessible and discussed in the HSA.

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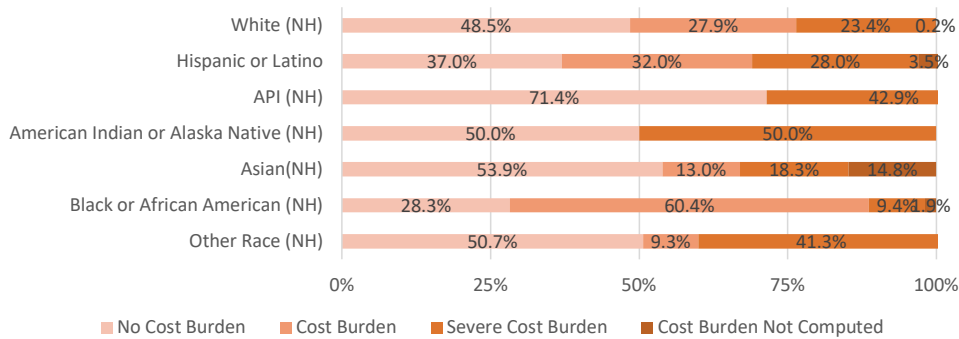
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Chart D-10: Cost Burden for Owner Occupied Housing by Race/Ethnicity, City of Monterey



Source: Comprehensive Housing Affordability Strategy (CHAS) ACS tabulation, 2015-2019)

Chart D-11: Cost Burden for Renter Occupied Housing by Race/Ethnicity, City of Monterey

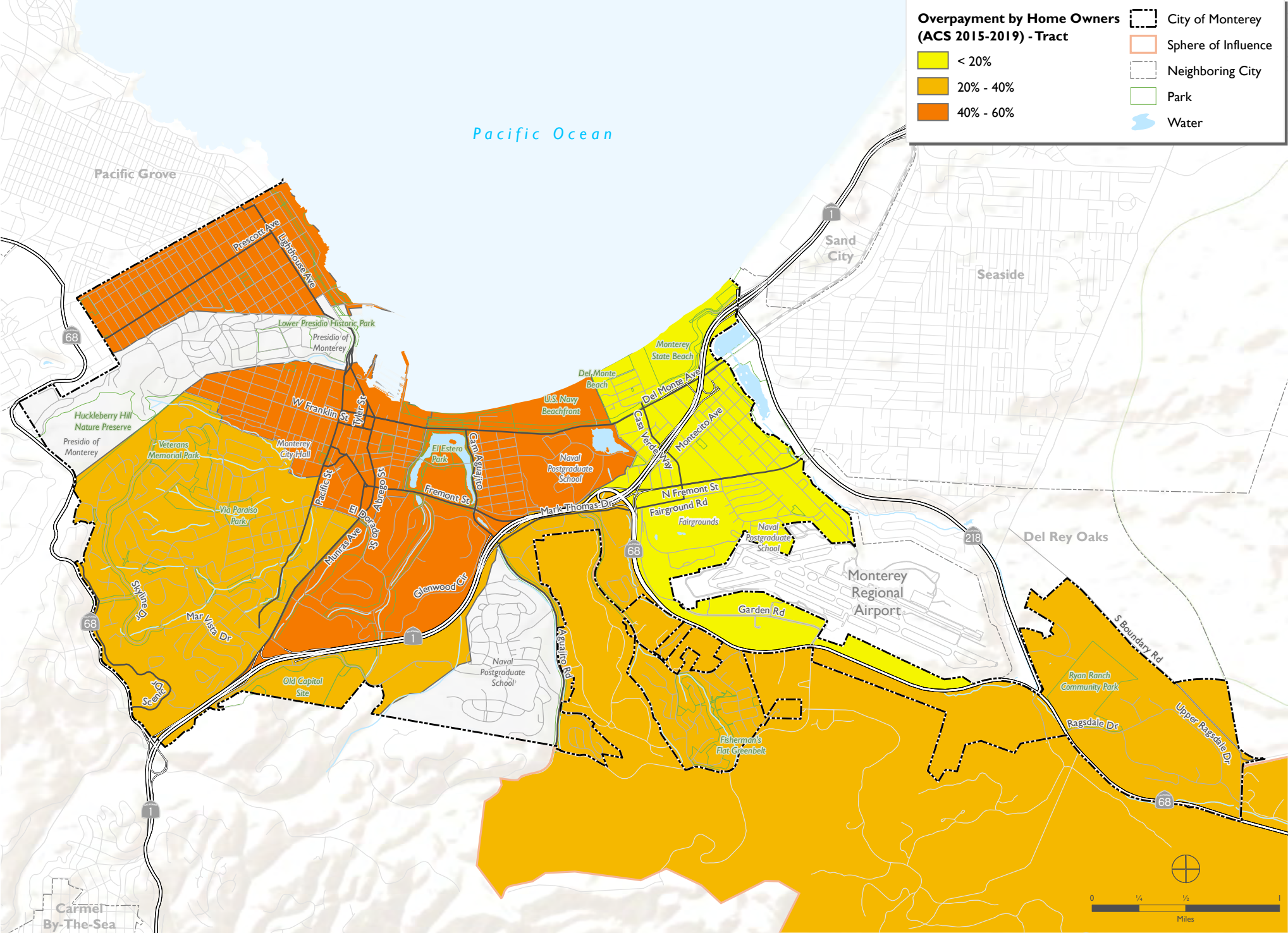


Source: Comprehensive Housing Affordability Strategy (CHAS) ACS tabulation, 2015-2019)

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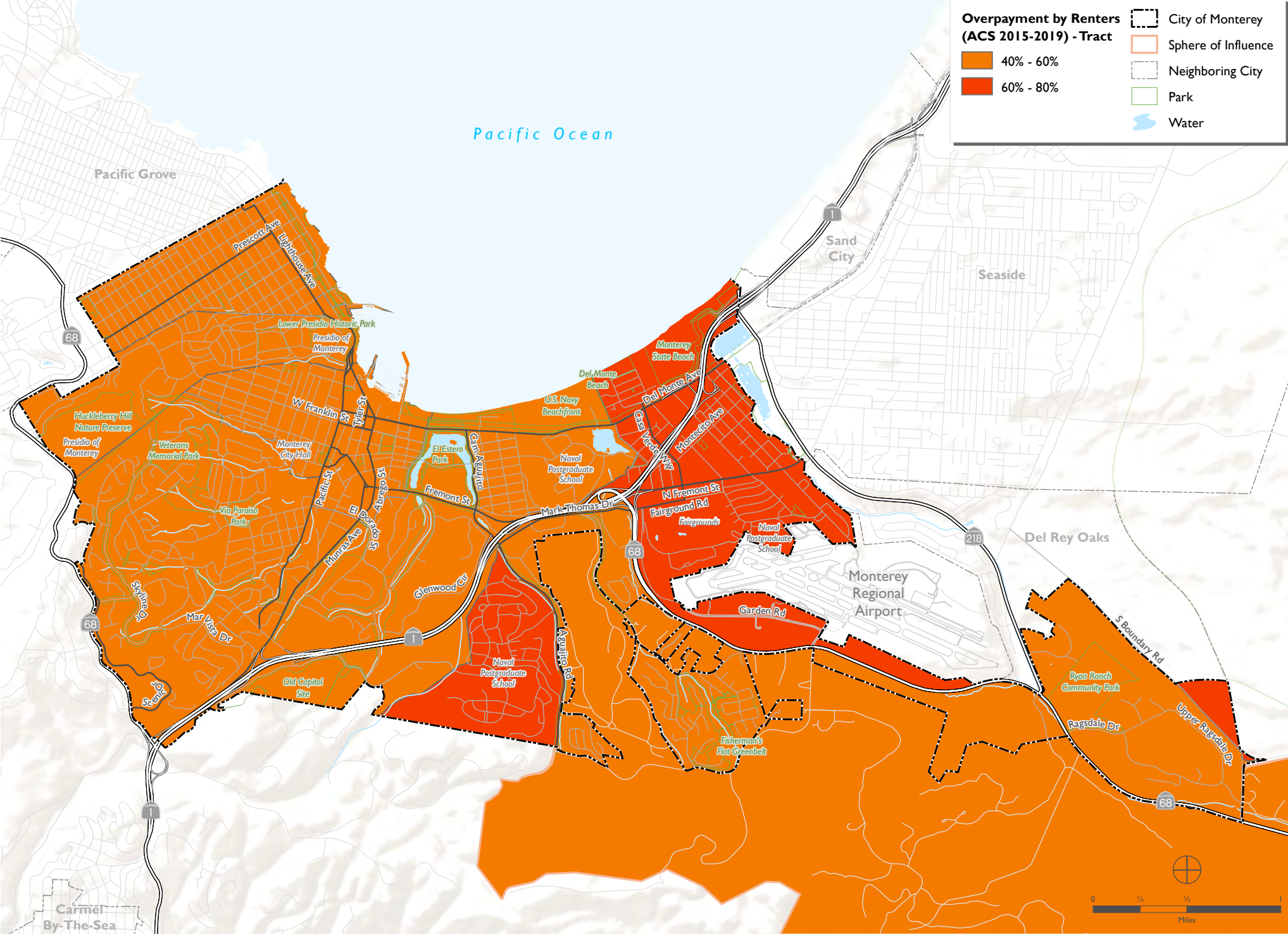
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D-21: Homeowner Cost Burden, City of Monterey



Data Source: Affirmatively Furthering Fair Housing Data and Mapping Resources, Housing and Community Development, California, 2021; Placeworks, 2021; American Community Survey (ACS) (2015-2019); City of Monterey, 2022; Monterey County GIS, 2022; Dyett & Bhatia, 2022.

D-22: Renter Cost Burden, City of Monterey



Data Source: Affirmatively Furthering Fair Housing Data and Mapping Resources, Housing and Community Development, California, 2021; Placeworks, 2021; American Community Survey (ACS) (2015-2019); City of Monterey, 2022; Monterey County GIS, 2022; Dyett & Bhatia, 2022.

OVERCROWDING

According to HUD, households having more than 1.01 to 1.5 persons per room are considered overcrowded and those having more than 1.51 persons per room are considered severely overcrowded. The person per room analysis excludes bathrooms, porches, foyers, halls, or half-rooms. [Map D-23 displays percentages of overcrowding, where less than 5 or 5 to 10 percent of the tract experiences overcrowding as defined by HUD.](#) Although there is no indication by Map D-23 of tracts with over concentrations of overcrowding in the City, nearby cities in Monterey County such as Seaside, Marina, and Salinas have tracts with over concentrations (greater than 20 percent) of overcrowded households. Moving south and inland within the County there are greater concentrations of overcrowded households though. While the City of Monterey is 94.6 percent uncrowded, the County is 86.4 percent uncrowded with eight percent more overcrowded units and 0.3 percent more severely overcrowded units than the City. As indicated by the data and relative to the region, the City overall has low overcrowding but specific groups experience greater overcrowding.

Renters tend to experience overcrowding more often than owners in the City. As discussed in the HAS, about 1.3 percent of renter-occupied households experience overcrowding and 6.55 percent experience severe overcrowding. By contrast less than 1 percent of owner-occupied households experience any level of overcrowding. Typically, in California renters experience higher rates of overcrowding than homeowners because they are more likely to be lower income than are homeowners. Lower-income households in the city (those making less than 80 percent of AMI), generally tend to have higher rates of overcrowding. As discussed in the HAS, among extremely-low-income households (i.e., those making less than 30 percent of AMI) 3.7 percent are considered overcrowded while 5.0 percent are severely overcrowded. Among households making between 31 to 50 percent of AMI and 51 to 80 percent of AMI, 2.4 percent and 3.8 percent are considered overcrowded. This may reflect a lack of both affordable housing and housing to meet the needs of all income levels.

Rates of overcrowding are unevenly distributed by race/ethnicity in the City. Overcrowding is most prevalent among American Indian or Alaska Native, Other Races, and Hispanic or Latinx households as 20.8 percent, 5.3 percent, and 4.5 percent of each group experiences overcrowding, respectively. Overcrowding rates are comparable for non-Hispanic white households (2.65 percent), Black or African American households of any ethnicity (1.26 percent), and for Asian households (0.81 percent) (see [2015-2019 Comprehensive Housing Affordability Strategy](#)).

Large families, defined as households of five or more related individuals, are a special need category under State law because they are at higher risk for overcrowding if the jurisdiction's housing stock doesn't have sufficient larger units with an adequate number of bedrooms. More large families in the City of Monterey rent than own. As shown in [Table A-20 in the 2015-2019 Comprehensive Housing Affordability Strategy](#), the 2019 American Community Survey reported 109 owner-occupied households and 395 renter-occupied households with 5 or more persons in the City. Most of the households (77.0 percent) were occupied by one or two people and only 4.1 percent were occupied by large families. Of the population, 2.6 were owners in a large family and 4.9 were renters in a large family. The higher rate of renting than owning homes for large families could indicate the families do not have the income to own a large enough home. In comparison to surrounding jurisdictions, the City of Monterey has a much smaller proportion of large family households than Monterey County (19.7 percent).

Commented [CS122]: Map D-23 is by percent. Less than 5% is how many persons per room and 5%-10% on the map is how many persons per room. Can you include this in the first sentence so readers can compare to the HUD def of overcrowding

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Source for this paragraph?

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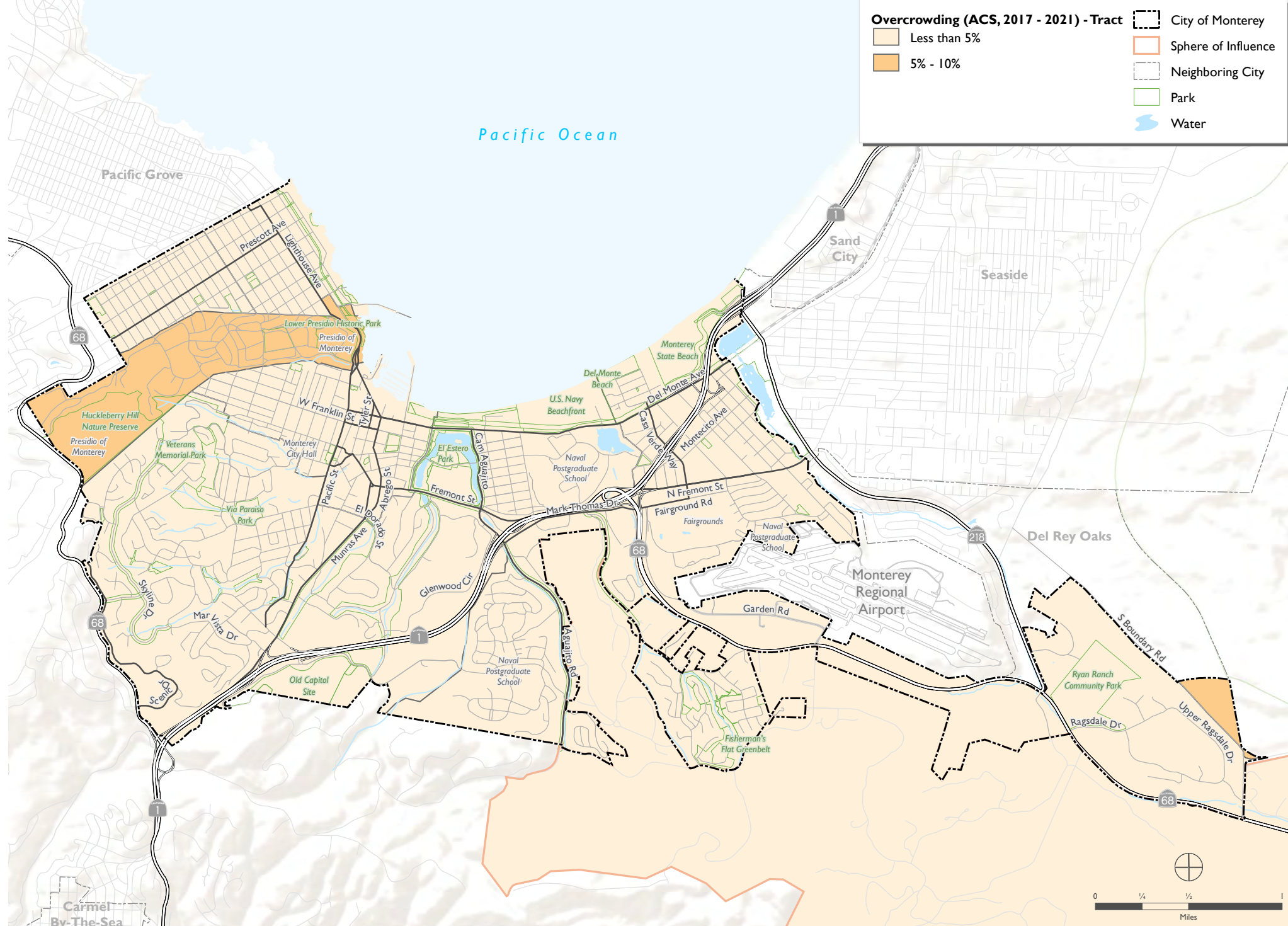
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D-23: Overcrowded Households, City of Monterey



Overcrowding (ACS, 2017 - 2021) - Tract

- Less than 5%
- 5% - 10%

Map Symbols:

- City of Monterey
- Sphere of Influence
- Neighboring City
- Park
- Water

Data Source: ACS, 2017 - 2021; City of Monterey, 2022; Monterey County GIS, 2022; Dyett & Bhatia, 2022.

SUBSTANDARD HOUSING

As defined by the U.S. Census, there are two types of substandard housing problems: (1) Households without hot and cold piped water, a flush toilet and a bathtub or shower; and (2) Households with kitchen facilities that lack a sink with piped water, a range or stove, or a refrigerator. [Table D-14 shows under less than 2 percent of households experienced any substandard housing problems.](#) Estimating the number of substandard units can be difficult, but the lack of certain infrastructure and utilities can often be an indicator of substandard conditions. According to the City’s 2015-2023 Housing Element, there are approximately 880 housing units experiencing serious deterioration, 2,140 in decline, and 4,830 will require maintenance, though not immediately urgent.

Table D-14: Monterey Substandard Housing Issues, 2020

Building Amenity	Owner		Renter	
	Number	Percent	Number	Percent
Incomplete Kitchen Facilities	8	0.2%	83	1.0%
Incomplete Plumbing Facilities	49	1.2%	0	0.0%
No telephone service available	0	0.0%	52	0.6%

Source: U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B25053, Table B25043, Table B25049

A high proportion of older buildings, especially those built more than 30 years ago, may indicate that substantial housing conditions are an issue. Housing is considered substandard when physical conditions are determined to be below the minimum standards of living, as defined by Health and Safety Code section 17920.3. A building is considered substandard if any of the following conditions exist:

- Inadequate sanitation
- Structural hazards
- Nuisances
- Faulty weather protection
- Fire, safety or health hazards
- Inadequate building materials
- Inadequate maintenance
- Inadequate exit facilities
- Hazardous wiring, plumbing or mechanical equipment
- Improper occupation for living, sleeping, cooking, or dining purposes
- Inadequate structural resistance to horizontal forces
- Any building not in compliance with Health and Safety Code section 13143.2

In the City of Monterey, about 72.9 percent of the housing stock was constructed prior to 1980 and is over 40 years old. About 7.3 percent of the housing stock has been constructed since 2000, with only 2.9 percent constructed since 2010 (see Chart D-12). As discussed in the [2015-2019 Comprehensive](#)

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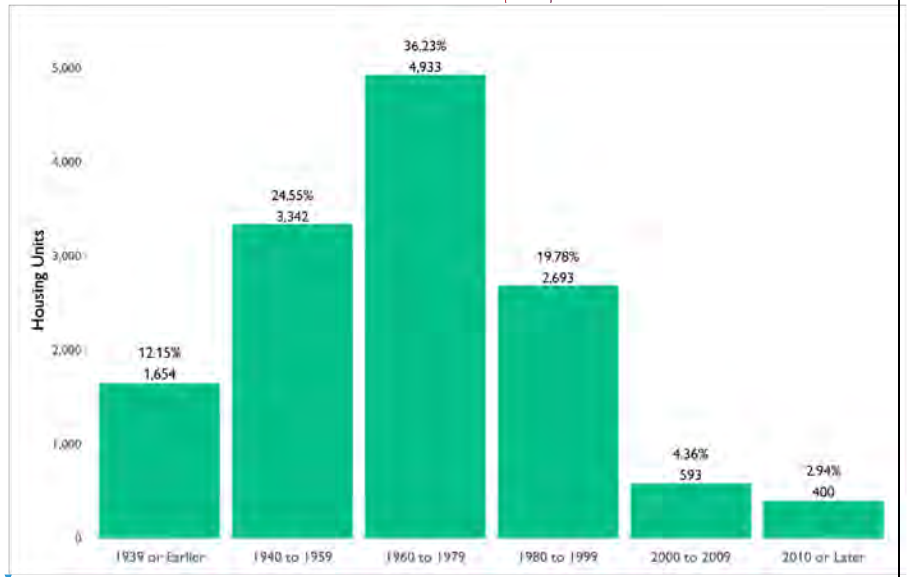
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[Housing Affordability Strategy](#) in Table A-32, about 0.2 percent of owners lack complete kitchen facilities while 1.0 percent of renters do. Further, approximately 1.2 percent of owners lack complete plumbing facilities while 0 percent of renters do. In total, there are 49 occupied housing units with incomplete plumbing facilities and 91 units with incomplete kitchen facilities, as shown on Table D-14.

Chart D-12: Age of City of Monterey Housing Stock, 2020



Source: U.S. Census Bureau, American Community Survey 5-Year Data (2016-2020), Table B25034

Any household living in substandard conditions is considered in need of assistance, even if they are not actively seeking alternative housing arrangements. As noted in Chart D-12, the portion of older housing units in Monterey, about 72.9 percent of the housing stock was constructed prior to 1980 and is over 40 years old. Approximately 75 percent of all units built before 1979 could potentially contain lead-based paint, which may pose a human health hazard.²⁰

HOMELESSNESS

Individuals and families who are unhoused have perhaps the most immediate housing need of any group. They also have one of the most difficult sets of housing needs to meet, due to both the diversity and complexity of the factors that lead to homelessness, and to community opposition to the siting of

²⁰ Community Development Block Grant 2020-2024 Consolidated Plan & 2020-2021 Annual Action Plan, City of Monterey, 2020.

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housing that serves homeless clients. Homelessness is a countywide issue that demands a strategic, regional approach that pools resources and services. A common method to assess the number of homeless persons in a jurisdiction is through a Point-in-Time (PIT) Count. The PIT Count is a biennial census of sheltered and unsheltered persons in a Continuum of Care (CoC) completed over a 24-hour period in the last ten days of January. The unsheltered PIT Count is conducted annually in Monterey County and is a requirement to receive homeless assistance funding from HUD. The PIT Count does not function as a comprehensive analysis and should be considered in the context of other key data sources when assessing the state of homelessness in a community.

According to HUD, a CoC is a “a community plan to organize and deliver housing and services to meet the specific needs of people who are homeless as they move to stable housing and maximize self-sufficiency. It includes action steps to end homelessness and prevent a return to homelessness.” In Monterey County, Coalition of Homeless Service Providers oversees the CoC Program. According to the 2022 PIT Count, there were 74 sheltered homeless persons and 27 unsheltered persons in the City of Monterey. In addition, the racial/ethnic breakdown of Salinas/Monterey and San Benito County’s homeless population is shown in Table D-15. Those who identify as White (Hispanic and non-Hispanic) represent the largest share of the unhoused population (59 percent) of the county, while Hispanic/Latinx comprise the second largest group (56 percent). Additionally, those identify as Black or African American (Hispanic or Non-Hispanic) are represented disproportionately among the unhoused population as they make up 13 percent of the homeless Monterey County residents, but only 2.6 percent of its overall population.

The racial/ethnic breakdown of Salinas/Monterey and San Benito County’s homeless population is shown in Table A-23 in the 2015-2019 Comprehensive Housing Affordability Strategy. Notably, those who identify as White (Hispanic and non-Hispanic) represent the largest share of the unhoused population (82.6 percent) of the county, while Hispanic/Latinx comprise the second largest group (36.9 percent). Additionally, those who identify as Black or African American (Hispanic or Non-Hispanic) represented disproportionately among the unhoused population as they make up 8.3 percent of the homeless Monterey County residents, but only 2.6 percent of its overall population.

Per HCD’s requirements, jurisdictions also need to supplement county-level data with local estimates of people experiencing homelessness. According to the California Department of Education, in Monterey County there were 6,764 reported K-12 students experiencing homeless in the 2017-2018 school year.²¹ By comparison, Monterey County has seen a 7.3 percent increase in the population of K-12 students experiencing homelessness since the 2016-17 school year (6,271 students in the 2016-17 school year).

²¹ California Department of Education, California Longitudinal Pupil Achievement Data System (CALPADS), Cumulative Enrollment Data (Academic Years 2016-2017, 2017-2018, 2018-2019, 2019-2020)

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City monterey = 74 unshelterd; 27 sheltered, 101 total

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Table D-15: Racial/Ethnic Group Share of General and Homeless Population in Salinas/Monterey and San Benito Counties

Racial/Ethnic Group	Number of Homeless Population	Percent of Homeless Population
American Indian or Alaska Native (Hispanic and Non-Hispanic)	308	12.81%
Native Hawaiian or Other Pacific Islander (Hispanic and Non-Hispanic)	65	2.70%
Asian (Hispanic and Non-Hispanic)	111	4.61%
Black or African American (Hispanic and Non-Hispanic)	310	12.90%
White (Hispanic and Non-Hispanic)	1,417	58.94%
Other Race or Multiple Races (Hispanic and Non-Hispanic)	193	8.03%
Hispanic/Latinx	1,348	56.07%

Source: U.S. Department of Housing and Urban Development (HUD), Continuum of Care (CoC) Homeless Populations and Subpopulations Reports, 2022

DISPLACEMENT RISK

Like many places in California, housing costs in the City of Monterey and Monterey County have continued to rise over the last two decades as discussed in the HSA. It is harder to afford to live in the City of Monterey than in Monterey County. In the City, home values are 30 percent more on average than in the County. Between 2010 and 2022, City of Monterey home values increased by 97.1 percent (Zillow Home Value Index). Three-bedroom units have seen the highest increase in value, increasing by 100.2 percent in a ten-year period. The highest value housing type in Monterey is a five-bedroom or greater housing unit at \$2,271,239. The typical home in the City of Monterey is a \$1,130,600 four-person, three-bedroom unit. A serious affordability gap exists, with housing only affordable to households earning 100 percent of AMI.

UC Berkeley’s Urban Displacement Project (UDP) defines residential displacement as “the process by which a household is forced to move from its residence or is prevented from moving into a neighborhood that was previously accessible to them because of conditions beyond their control.” As part of this project, the research has identified populations vulnerable to displacement (named “sensitive communities”) in the event of increased redevelopment and drastic shifts in housing cost. They defined vulnerability based on the share of low-income residents per census tract and other criteria share of renters above 40 percent; share of people of color more than 50 percent; share of low-income households severely rent burdened; and proximity to displacement pressures. Displacement pressures were defined based on median rent increases and rent gaps.

As housing costs increase, this gap may expand and subject lower-income households to displacement pressures that have otherwise been absent or relatively low in the city. Communities of color may be particularly impacted by this dynamic. The University of California Urban Displacement Project (UDP) has provided “sensitive communities” typologies to quantify the risk of displacement within a community. Sensitive communities are those with populations vulnerable to displacement in the event of increased redevelopment and drastic shifts in housing cost. As shown in Map D-24, two tracts in

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the city are considered vulnerable, adjacent to each other in the middle of the Monterey along the bay. These tracts are in “hot markets” and their rents are on average lower than rents in nearby tracts.

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In addition to the sensitive communities typology, UDP has also produced displacement typologies that more precisely describe the risk of displacement based on 2019 ACS data. The California Estimated Displacement Model (EDR) identifies varying levels of displacement risk for low-income renter households in all census tracts in California. Displacement risk means that in 2019 a census tract had characteristics which, according to the model, are strongly correlated with more low-income renter population loss than gain. In other words, the model estimates that more low-income households left these neighborhoods than moved in. As presented in Map D-25, the City has one tract identified as Probable Displacement. Meanwhile, parts of some nearby cities such as Del Monte and Sand City are classified as at risk of Probable Displacement and Seaside is classified as High Displacement. Because the model uses 2015-2019 data, the correlations between tract characteristics and low-income renter population loss are only based on this period. Tracts are assigned to one of the following categories:

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- **Low Data Quality:** the tract has less than 500 total households or the census margins of error were greater than 15% of the estimate (shaded gray).
- **Probable Displacement:** the model estimates there is potential displacement of the given population in these tracts.
- **Elevated Displacement:** the model estimates there is a moderate amount of displacement (e.g., 10%) of the given population.
- **High Displacement:** the model estimates there is a relatively high amount of displacement (e.g., 20%) of the given population.
- **Extreme Displacement:** the model estimates there is an extreme level of displacement (e.g., greater than 20%) of the given population.

As shown in Map D-24 and Map D-25, one of the two tracts identified by UDP as a “sensitive community” is also identified as a tract at “at risk of displacement”. Therefore, there is an existing concentration of displacement risk in the City of Monterey and it is located along the bay in two tracts.

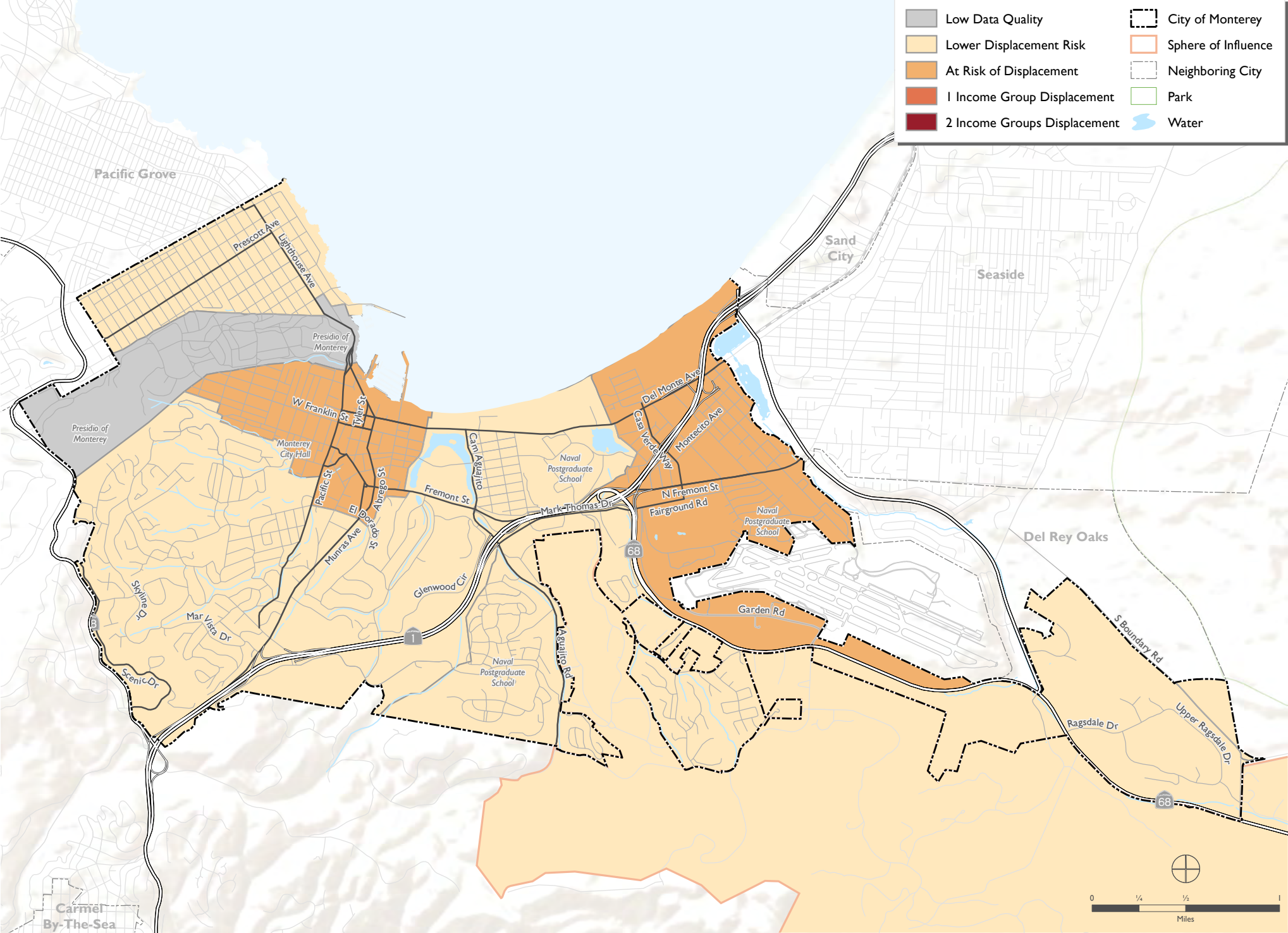
According to HCD, the conversion of federally- and -state-subsidized affordable rental developments to market-rate units can constitute a substantial loss of housing opportunity for low-income residents. There are approximately 149,000 units of privately owned, federally assisted, multifamily rental housing, as well as tax-credit and mortgage revenue bond properties, often with project-based rental assistance. As the subsidy contracts or regulatory agreements expire, a large percentage of these units may convert to market-rate. These at-risk units are home to seniors and families with low incomes who are at risk of displacement if the developments convert.

Most affordable units in the County are at low risk of conversion, there are 64 units (0.09 percent) at moderate risk, 345 units (5.34 percent) at high risk, and 0 units (0 percent) at very high risk. There are no assisted units with covenants expiring within the planning period; however, there are 117 subsidized rental housing units in the City at risk of conversion to market rate within ten years of the planning period.

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D-25: Overall Displacement Risk, City of Monterey



Data Source: California Urban Displacement Project, 2022; Affirmatively Furthering Fair Housing Data and Mapping Resources, Housing and Community Development, California, 2021; Placeworks, 2021; American Community Survey (ACS) (2015-2019); City of Monterey, 2022; Monterey County GIS, 2022; Dyett & Bhatia, 2022.

Much of the protection for displacement in the City of Monterey comes from State law. All multifamily units in the City are protected by the State’s Tenant Protections Act of 2019 (AB 1482), which includes an annual rent cap and just-cause protections. ~~The City does not have any current local rent stabilization or just-cause eviction policies in place, but did have eviction and tenant protections during the COVID-19 pandemic.~~

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Natural hazards in California can also cause significant displacement, and some communities are at greater risk than others. As described below, Monterey is at relatively high risk to several natural hazards due to its proximity to forested areas, multiple fault lines, and bodies of water.

Earthquake

The central California coast has a history of damaging earthquake, primarily associated with the San Andreas fault, which runs through the southeastern portion of the County for about 30 miles. The County has had 429 earthquakes since 1900 and 67 earthquakes since 2000 of 4.0 magnitude or higher. According to the 2022 Monterey County Local Hazard Mitigation Plan in the event of a major earthquake, all single and multifamily structures in the City of Monterey are susceptible to earthquake impacts to varying degrees. There are 435 residential properties at risk for high liquefaction and 288 properties at risk for moderate liquefaction.

Flood

Coastal flooding in Monterey County is generally associated with Pacific Ocean storms in the months of November through February. In conjunction with high tides and strong winds, coastal flooding can be a significant hazard. In the City of Monterey, seven properties are in a 100-year flood zone and 64 properties are located in a 500-year flood zone.

Wildfire

The State classifies Fire Hazard Severity Zones (FHSZ) into three classifications: moderate, high, and very high. ~~As shown on Map 2-2, areas in the south and southwest of Monterey are classified as Very High Fire Hazard Severity Zones.~~ Areas at risk of burning are correlated with areas considered to be wildlands or area with wildland type vegetation that are generally not intensely developed. ~~In the case of a fire in a high fire threat area, 97 residential properties would be affected while in the case of a fire in a moderate fire threat area, 1,593 residential properties would be affected.~~

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Climate Change and Sea Level Rise

Climate change will affect the people, property, economy, and ecosystems in Monterey County. Sea level rise risk exposure in the City was calculated based on the NOAA Office for Coastal Management sea level rise viewer ~~projections.~~ With one foot of sea level rise (2030) one residential property will be impacted, with 3 feet of sea level rise (2060) one residential property will be impacted, and with seven feet of sea level rise (2100) 15 residential properties will be impacted in the City.

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Landslide

~~According to the 2022 Monterey County Local Hazard Mitigation Plan, areas with high landslide susceptibility could affect 21 residential properties while areas with moderate landslide susceptibility could affect 679 residential properties. Additionally, approximately 24 miles of road are located in an area of moderate susceptibility to earthquake-induced landslides and about 2 miles of roadway is located in an area of high susceptibility.~~

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Tsunami

According to the 2022 Monterey County Local Hazard Mitigation Plan, the City is in a mapped tsunami inundation zone. In the inundation zone, a population of 1,716 and 268 residential properties are at risk in the City

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D.6 Sites Inventory

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State law requires a jurisdiction to identify sites to meet its RHNA obligations throughout the community in a manner that is consistent with its duty to affirmatively further fair housing. This includes ensuring that sites are distributed such that they combat housing discrimination, eliminate racial bias, redress historic patterns of segregation, and lift barriers that restrict access. Affirmatively furthering fair housing will help foster inclusive communities so that households at all income levels and of all racial/ethnic makeups can enjoy a more equitable distribution of opportunity and proximity to jobs, transit, a high-quality education, and environmental benefits.

To satisfy this requirement, the extent to which buildout of the Sixth Cycle Housing Element inventory may further entrench or help ameliorate existing patterns of segregation and/or exclusion of protected categories was assessed. As previously discussed, none of the Census tracts within the City of Monterey’s corporate limits are classified as a racially or ethnically concentrated areas of poverty (R/ECAP); however, one Racially/Ethnically Concentrated Areas of Affluence (RCAA) is located completely within the city limits and one at the southern edge of the city extends into the unincorporated area and lies primarily outside of the City. There are no census tracts identified as High Segregation and Poverty tracts on the TCAC/HCD Composite Opportunity Map (Map D-17). The Highest Resource, High Resource, and Moderate Resource Census tracts are evenly distributed, with the Moderate Resource classification covering the greatest geographical expanse. This assessment focuses on how buildout of the sites inventory would affect the concentration of lower and moderate-income households in Monterey, approximated based on characteristics such as the proportion of renter-occupied units subsidized by Housing Choice Vouchers (HCVs). The results of the analysis are shown in Table D-16.

Table D-9 shows the distribution of units from the sites inventory by income category in each Census tract, alongside the existing (2021) socioeconomic characteristics of those tracts based on data made available from HCD. Census tracts in the City share many similar characteristics, such as lower displacement risk, moderate proportions of non-white population, and rent burdened households. On the other hand, the percentages of low to moderate income population, overcrowded households, and rate of HCVs have more variance. Notably, Census tracts 6053013300 and 6053012700 have relatively higher proportions of HCVs, whereas Census tracts 6053013200, 6053013100, 6053012800, and 6053012601 have the lowest levels.

Of the two Census tracts with the highest rates of HCVs, both contain lower-income and moderate sites. However, both of these Census Tracts (6053013300 and 6053012700) do not have the highest rent burdened households or percentage of non-white population. As such, development of units affordable to lower-income households in this Census tract would not contribute to segregation but rather increase opportunities for racial and economic levels to be more similar to the rest of the City.

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[Census Tract 6053013200 has the fewest concentration of low- to moderate-income population, with a proportion of non-white population comparable to the rest of the City. This Census tract contains the greatest share of very low, low, and moderate-income units in the sites inventory, so addition of new lower-income units would help ensure an inclusive mix of housing and reduce risk of displacement for current residents. New housing opportunities for lower-income households in Census Tract 6053013200 along the southern border of the City would likewise serve to further fair housing choice in Monterey.](#)

[As many socioeconomic characteristics are shared by Census tracts citywide, it is difficult to assess the degree to which implementation of the Sixth Cycle Housing Element would help close the gaps in access to opportunity. Nevertheless, the Housing Action Plan \(see Chapter 4\) and related policies in the General Plan are designed to address existing disparities and provide new opportunities to meet the needs and enrich the lives of all Monterey residents.](#)

D.7 Summary and Conclusions

State law requires that jurisdictions identify fair housing issues as well as contributing factors and priority levels for each factor. Further, a jurisdiction must identify specific goals and actions it will take to reduce the severity of fair housing issues within that jurisdiction. This section fulfills these requirements based on the assessment provided above, as well as relevant information from the 202-2025 AI. Goals and actions related to AFFH are incorporated into the broader Housing Action Plan contained within Chapter 4 of this Housing Element.

Based on the findings of this assessment, [Table D-17](#) presents a summary of existing fair housing issues and their contributing factors, as well as a description for each. Issues that are primarily related to environmental justice or economic development and do not have a direct bearing on fair housing will be addressed in the respective element of the General Plan update. Priority levels were assigned as follows:

- **High** – Designates contributing factors that limit or deny fair housing choice (i.e., has the potential to violate the Fair Housing Act).
- **Medium** – Designates contributing factors which should be addressed in the near term. These issues do not violate the Fair Housing Act but may increase fair housing issues in the city. These factors may be beyond the City’s immediate capabilities to address.
- **Low** – Designates contributing factors that either do not need to be or cannot be addressed immediately by the City but should be addressed later on during the eight-year planning period.

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Table D-16: AFFH Housing Element Sites Analysis

Tract	Sites Inventory Capacity		2017-2021 ACS Estimates						Displacement Risk (2022)
	Very Low, Low, and Moderate Income	Above Moderate Income	Existing Households	Non-White Pop.	Low to Mod. Income Pop.	Rent Burdened Households	Over-crowded Households	HCV Use ¹	
6053013200	860	2178	1548	21%	11%	41%	0%	0%	Lower Displacement-Risk
6053013100	130	64	686	38%	11%	75%	2%	0%	Lower Displacement-Risk
6053013300	748	322	2623	45%	51%	58%	20%	6%	At Risk of Displacement
6053012700	397	327	1892	29%	48%	47%	2%	4%	At Risk of Displacement
6053012800	116	70	2418	19%	21%	33%	1%	0%	Lower Displacement-Risk
6053014109	0	0	1011	66%	35%	64%	7%	3%	Lower Displacement-Risk
6053012601	45	1	60	35%	28%	67%	8%	0%	Low Data Quality
6053012504	48	331	1436	46%	38%	58%	2%	1%	Lower Displacement-Risk
6053012503	1	28	1257	32%	38%	46%	0%	1%	Lower Displacement-Risk
6053013000	1	254	2105	42%	31%	48%	2%	1%	Lower Displacement-Risk

Notes:

¹ Calculated as the percentage of renter-occupied units that are subsidized by Housing Choice Vouchers (2021).

Sources: U.S. Census Bureau 2017-2021 ACS 5-Year Estimates; TCACI/HCD, 2023; HCD/Urban Displacement Project, 2022; Dyett & Bhatia, 2023.

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Table D-17: Fair Housing Issues and Contributing Factors

Priority Level	Fair Housing Issue	Description	Contributing Factor(s)	Meaningful Actions	Geographic Targeting	2023-2031 Metrics and Timing
High	Enforcement and Capacity	The City has seen uneven lending patterns. As of 2021 (the most recent year that data is available), Native American applicants had the highest loan denial rates, followed by Hispanic applicants, and Non-Hispanic White applicants. Non-Hispanic White, Hispanic, and Native Hawaiian and Other Pacific Islander applicants have seen a decline between 2018 and 2021 in loan denial rates, while the other applicant groups have seen more variation between increases and decreases in loan denial rates.	<ul style="list-style-type: none"> Financial literacy of affected groups Lending discrimination 	<ul style="list-style-type: none"> Legal Services and Fair Housing Education (Program 3-A) Housing for ELI Households and Persons with Special Needs (Program 3-B) Family-Sized Rental Units (Program 3-D) 	Citywide	<ul style="list-style-type: none"> Provide fair housing support services for 75 persons annually during each year of the planning period (Program 3-A) 25 units for ELI households and persons with special needs during the planning period (Program 3-B) Percent change in denial rates Increase awareness of fair housing practices among real estate professionals and lenders
High	Segregation and Integration	Monterey is becoming more diverse but remains majority White. Between 2010 and 2020, the share of White residents in the City decreased slightly from 69.2 percent to 67.7 percent and the share of other ethnicities increased slightly; however, the share of White residents in the City is still more than double that of Monterey County, which has a majority Hispanic/Latino population.	<ul style="list-style-type: none"> Income is the single-most significant barrier to integration, particularly as Non-Whites may have less access to capital and financing. Few options for lower income residents 	<ul style="list-style-type: none"> Inventory of Available Sites (Program 1-A) Multi-family Residential Overlay Amendments (Program 1-B) Education Workforce Housing Overlay (Program 1-E) Congregational Overlay (Program 1-F) Surplus Municipal Parking Facilities (Program 1-G) Fort Ord/Ryan Ranch Specific Plan (Program 1-H) Highway 68 Area Plan Update (Program 1-I) Inclusionary Zoning (Program 2-I) Housing for ELI Households and Persons with Special Needs (Program 3-B) Affirmative Marketing of Affordable Housing Opportunities (Program 3-F) 	Citywide, specifically opportunity areas (i.e. Ryan Ranch and Fort Ord)	<ul style="list-style-type: none"> Facilitate development of 1,177 units affordable to very low-income households and 769 affordable to low-income households over the planning period. (Program 1-A and Program 3-F) Facilitate development of 365 new housing units by Q4 2031 (Program 1-B) 100 new housing units, at least 30 percent of which would be made available to lower income households through long-term affordability agreements (Program 1-E) 100 new housing units affordable to Low and Very Low Income Households on properties owned by religious facilities (Program 1-F) 50 lower income units by 2027 (Program 1-G) 2,100 new housing units, including 210 homes affordable to moderate income households and 210 homes affordable to lower income households (Program 1-H) 640 new housing units, including 145 homes affordable to moderate income households and 145 homes affordable to lower income households (Program 1-I) Facilitate development of below market rate units, including 1,946 lower income units and 462 moderate income units (Program 2i_) 25 units for ELI households and persons with special needs during the planning period (Program 3-B)
High	Disproportionate Housing Needs	Cost burden is a major issue for older adults and low-income households in Monterey. Cost burden for renters and owners is not evenly distributed geographically and renters are more cost burdened than owners. For renters, areas south, west and	<ul style="list-style-type: none"> Availability of affordable units in a range of sizes Widening income gap Skyrocketing land values in Monterey Peninsula area 	<ul style="list-style-type: none"> Affirmative Marketing of Affordable Housing Opportunities (Program 3-F) Zoning Incentives for Deed Restricted ADUs/JADUs (Program 3-G) Rental Assistance Pilot Program (Program 4-B) 	Citywide, specifically High Resource neighborhoods.	<ul style="list-style-type: none"> Facilitate development of 1,177 units affordable to very low income households and 769 affordable to low income households over the planning period (Program 3-F) Construction of 10 new ADUs/JADUs affordable to lower income households annually over the planning period, with geographic targeting to homeowners in high resource neighborhoods (Programs 3-G)

Table D-17: Fair Housing Issues and Contributing Factors

Priority Level	Fair Housing Issue	Description	Contributing Factor(s)	Meaningful Actions	Geographic Targeting	2023-2031 Metrics and Timing
		northwest of the Monterey Regional Airport and within the US Navy La Mesa Village property south of Highway I are tracts with 60 to 80 percent of renters overpaying. In the rest of the City, all tracts have 40-60 percent of renters overpaying. For owners, tracts west and northwest of Highway I and along Monterey Bay have 60-80 percent of owners overpaying while more inland tracts have 40-60 percent of owners overpaying.		<ul style="list-style-type: none"> Recognize Single-Room Occupancy (SRO) Units as a Housing Type (Program 4-G) 		<ul style="list-style-type: none"> Provide shallow subsidies to 20 lower income households per year throughout the planning period (Program 4-B)
High	Disproportionate Housing Needs	Rates of overcrowding are unevenly distributed by race/ethnicity in the City. Overcrowding is most prevalent among American Indian or Alaska Native, Other Races, and Hispanic or Latinx households as 20.8 percent, 5.3 percent, and 4.5 percent of each group experiences overcrowding, respectively. Overcrowding rates are comparable for non-Hispanic white households (2.65 percent), Black or African American households of any ethnicity (1.26 percent), and for Asian households (0.81 percent).	<ul style="list-style-type: none"> Lack of availability of affordable units in a range of sizes High cost of living, cost burden 	<ul style="list-style-type: none"> Multi-family Residential Overlay Amendments (Program I-B) Education Workforce Housing Overlay (Program I-E) Congregational Overlay (Program I-F) Family-Sized Rental Units (Program 3-D) 	Citywide	<ul style="list-style-type: none"> Facilitate development of 365 new housing units by Q4 2031 (Program I-B) 100 new housing units, at least 30 percent of which would be made available to lower income households through long-term affordability agreements (Program I-E) 100 new housing units affordable to Low and Very Low Income Households on properties owned by religious facilities (Program I-F) Promote the development of 20 rental units with two or three bedrooms over the planning period (Program 3-D)
Medium	Disparities in Access to Opportunity	There are no census tracts identified as Low Resource or High Segregation and Poverty. The Highest Resource, High Resource, and Moderate Resource tracts are evenly distributed, with the Moderate Resource classification covering the greatest geographical expanse.	<ul style="list-style-type: none"> Zoning and land use practices resulting in single-family residential neighborhoods that are predominately occupied by White non-Hispanic homeowners with higher median household incomes 	<ul style="list-style-type: none"> Education Workforce Housing Overlay (Program I-E) Congregational Overlay (Program I-F) Surplus Municipal Parking Facilities (Program I-G) Fort Ord/Ryan Ranch Specific Plan (Program I-H) Highway 68 Area Plan Update (Program I-I) 	Citywide	<ul style="list-style-type: none"> 100 new housing units, at least 30 percent of which would be made available to lower income households through long-term affordability agreements (Program I-E) 100 new housing units affordable to Low and Very Low Income Households on properties owned by religious facilities (Program I-F) 50 lower income units by 2027 (Program I-G) 2,100 new housing units, including 210 homes affordable to moderate income households and 210 homes affordable to lower income households (Program I-H) 640 new housing units, including 145 homes affordable to moderate income households and 145 homes affordable to lower income households (Program I-I)